

**SALEM HEALTH AND  
WELLNESS FOUNDATION, INC.**  
*AUDIT REPORT*  
December 31, 2024 and 2023

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**

*AUDIT REPORT*

For the Years Ended December 31, 2024 and 2023

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Salem Health and Wellness Foundation, Inc.  
Penns Grove, NJ

#### Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of **Salem Health and Wellness Foundation, Inc.** (*a nonprofit organization*), which comprise the statement of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, 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 Salem Health and Wellness Foundation, Inc. as of December 31, 2024 and 2023, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Salem Health and Wellness Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 Salem Health and Wellness Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and 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.

## INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

### Auditor's Responsibilities for the Audit of the Financial Statements (Concluded)

In performing an audit in accordance with generally accepted auditing standards, 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 Salem Health and Wellness Foundation, Inc.'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 Salem Health and Wellness Foundation, Inc.'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.

  
Martini & Martini, CPA, PA

May 22, 2025  
Vineland, NJ

## SALEM HEALTH AND WELLNESS FOUNDATION, INC.

## Statement of Financial Position

December 31,

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	Note 2	\$ 871,979	\$ 1,504,209
Prepaid Expenses		23,357	64,365
Investment Income Receivable		26,786	27,344
Investments - SEI Private Trust Company	Note 3	24,694,121	22,028,780
Interest Receivable - CHA Partners, LLC	Note 6	367,890	187,890
Note Receivable - CHA Partners, LLC	Note 6	3,000,000	3,000,000
<b>Total Current Assets</b>		<b><u>28,984,135</u></b>	<b><u>26,812,588</u></b>
<b>Non Current Assets</b>			
Property and Equipment, Net	Note 5	38,255	43,229
Beneficial Interests in Perpetual Trusts	Note 7	11,259,029	10,769,881
<b>Total Non Current Assets</b>		<b><u>11,297,284</u></b>	<b><u>10,813,110</u></b>
<b>Total Assets</b>		<b><u>\$ 40,281,418</u></b>	<b><u>\$ 37,625,698</u></b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts Payable		\$ 67,389	\$ 62,711
Accrued Expenses		35,192	27,303
<b>Total Liabilities</b>		<b><u>102,581</u></b>	<b><u>90,013</u></b>
<b>Net Assets</b>			
Without Donor Restrictions	Exhibit B	28,833,582	26,679,898
With Donor Restrictions	Exhibit B	11,345,255	10,855,787
<b>Total Net Assets</b>		<b><u>40,178,837</u></b>	<b><u>37,535,685</u></b>
<b>Total Liabilities and Net Assets</b>		<b><u>\$ 40,281,418</u></b>	<b><u>\$ 37,625,698</u></b>

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
*Statement of Activities*  
For the Years Ended December 31,

	Reference	2024			2023		
		Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>							
Contributions	Note 10	\$ 14,400	\$ -	\$ 14,400	\$ 14,400	\$ -	\$ 14,400
Distributions-Beneficial Interests Held in Perpetual Trusts	Note 7	-	406,258	406,258	-	539,916	539,916
Change in Value of Beneficial Interests Held in Perpetual Trusts	Note 7	-	489,148	489,148	-	605,936	605,936
Investment Income, Net		2,610,776	-	2,610,776	2,747,567	-	2,747,567
Interest Income - CHA Partners		180,000	-	180,000	180,000	-	180,000
Miscellaneous Income		1,135	320	1,455	-	-	-
Net Assets Released From Restrictions		406,258	(406,258)	-	539,916	(539,916)	-
<b>Total Support and Revenue</b>		<b>3,212,569</b>	<b>489,468</b>	<b>3,702,036</b>	<b>3,481,883</b>	<b>605,936</b>	<b>4,087,819</b>
<b>Expenses</b>							
Program Services	Exhibit C	861,618	-	861,618	660,305	-	660,305
Management and General	Exhibit C	197,267	-	197,267	191,090	-	191,090
<b>Total Expenses</b>		<b>1,058,885</b>	<b>-</b>	<b>1,058,885</b>	<b>851,396</b>	<b>-</b>	<b>851,396</b>
<b>Change in Net Assets</b>		<b>2,153,684</b>	<b>489,468</b>	<b>2,643,152</b>	<b>2,630,487</b>	<b>605,936</b>	<b>3,236,423</b>
Net Assets at Beginning of Year		26,679,898	10,855,787	37,535,685	24,049,411	10,249,851	34,299,262
<b>Net Assets at End of Year</b>		<b>\$ 28,833,582</b>	<b>\$ 11,345,255</b>	<b>\$ 40,178,837</b>	<b>\$ 26,679,898</b>	<b>\$ 10,855,787</b>	<b>\$ 37,535,685</b>

See Independent Auditor's Review Report & Accompanying Notes

Martini & Martini, CPA, PA

## SALEM HEALTH AND WELLNESS FOUNDATION, INC.

Statement of Functional Expenses  
For the Years Ended December 31,

	2024			2023			
	Reference	Program	Management and General	Total	Program	Management and General	Total
403B Plan Administration Fees		\$ -	\$ -	\$ -	\$ 1,463	\$ 413	1,875
Accounting and Audit Fees		-	30,990	30,990	-	36,753	36,753
Communications		3,095	873	3,968	8,874	2,503	11,377
Consulting Fees		7,127	-	7,127	23,569	-	23,569
Contributions and Grants Paid	Note 12	497,779	-	497,779	328,310	-	328,310
Depreciation	Note 1	-	4,974	4,974	-	4,502	4,502
Dues and Memberships		1,699	1,699	3,397	2,774	2,774	5,547
Equipment Maintenance		843	238	1,081	738	208	946
Employee Benefits		-	9,878	9,878	-	16,035	16,035
Insurance		-	3,295	3,295	-	17,211	17,211
Internet Access Fees		2,380	671	3,051	3,520	993	4,512
Legal Fees		86,083	24,280	110,363	61,141	17,245	78,386
Marketing		500	-	500	750	-	750
Meetings and Conferences		8,750	2,468	11,218	10,068	2,840	12,908
Miscellaneous		916	175	1,091	1,322	252	1,574
Office Rent	Note 10	-	14,400	14,400	-	14,400	14,400
Office Supplies and Expenses		10,086	1,108	11,194	9,219	1,013	10,232
Payroll		211,921	59,772	271,693	185,998	52,461	238,459
Payroll Taxes		18,972	5,351	24,324	15,170	4,279	19,448
Subscriptions		186	186	372	584	584	1,168
State Filing Fees		-	45	45	-	250	250
Telephone		617	174	791	2,017	569	2,586
Travel		3,634	1,025	4,659	1,129	318	1,447
Federal Excise Tax		-	33,682	33,682	-	14,457	14,457
Website Hosting		7,030	1,983	9,013	3,661	1,033	4,694
<b>Total Functional Expenses</b>		<b>\$ 861,618</b>	<b>\$ 197,267</b>	<b>\$ 1,058,885</b>	<b>\$ 660,305</b>	<b>\$ 191,090</b>	<b>\$ 851,396</b>

See Independent Auditor's Review Report & Accompanying Notes

Martini & Martini, CPA, PA

## SALEM HEALTH AND WELLNESS FOUNDATION, INC.

## Statement of Cash Flows

For the Years Ended December 31,

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>			
Change in Net Assets	Exhibit B	\$ 2,643,152	\$ 3,236,423
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation	Note 1	4,974	4,502
(Increase)/Decrease in Assets:			
Prepaid Expenses		41,008	20,701
Interest Receivable - CHA		(180,000)	(180,000)
Other Receivables		557	4,743
Change in Value of Beneficial Interests in Perpetual Trusts		(489,148)	(605,936)
Unrealized/Realized Change in Investments - SEI		(2,610,776)	(2,465,357)
Increase/(Decrease) in Liabilities:			
Accounts Payable		4,678	53,427
Accrued Expenses		7,889	(10,972)
<b>Net Cash Provided By/(Used) in Operating Activities</b>		<b>(577,665)</b>	<b>57,531</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds From Sales of Investments		3,619,164	1,019,125
Purchases of Investments		(3,673,729)	(1,284,615)
Cash Used for Capital Improvements		-	(27,023)
<b>Net Cash (Used) in Investing Activities</b>		<b>(54,565)</b>	<b>(292,513)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(632,231)</b>	<b>(234,982)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>		<b>1,504,209</b>	<b>1,739,191</b>
<b>Cash and Cash Equivalents at End of Year</b>		<b>\$ 871,979</b>	<b>\$ 1,504,209</b>
<b>Supplemental Information</b>			
Cash Used to Pay Interest		\$ -	\$ -
Cash Used to Pay Excise Tax		\$ -	\$ -

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
*NOTES TO FINANCIAL STATEMENTS*

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Salem Health and Wellness Foundation, Inc. (“the Foundation”) was formed in 2002 to receive the proceeds of the sale of Memorial Hospital of Salem County and use those funds to promote the health and wellness of Salem County, New Jersey residents.

The Foundation’s mission is to invest in sustainable initiatives that promote the overall health and wellness of Salem County, NJ residents. The Foundation’s vision is to be a financial resource empowering organizations specializing in servicing the health needs that are deemed to be unmet or underserved.

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Classification of Net Assets**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. At December 31, 2024 and 2023, net assets without donor restrictions were \$28,833,582 and \$26,859,898, respectively.

*Net Assets with Donor Restrictions* – Net assets subject to donor– or grantor–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 those resources be maintained in perpetuity. 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 was restricted has been fulfilled, or both. At December 31, 2024 and 2023, net assets with donor restrictions were \$11,345,255 and \$10,855,787, respectively.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, included functional allocations, during the reporting period. Actual results could differ from those estimates.

**Risks and Uncertainties**

The fair value amounts of investments reported in the statement of financial position are exposed to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities, it is reasonably possible that amounts reported in the accompanying statement of financial position could change materially in the near future.

**Promises to Give**

Unconditional promises to give are recognized as assets and revenues in the period received. The unconditional promises to give are recorded at net realizable value and are discounted at an appropriate rate commensurate with the risks involved. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Contributed Services**

A substantial number of volunteers have donated their time to the foundation. No amounts have been reflected in the accompanying financial statements for donated services since they do not meet the criteria for recognition.

**Income Taxes**

The Internal Revenue Service (“IRS”) has determined that the Foundation is exempt from federal income tax under Section 501(c)(3) of the Code.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONCLUDED)**

**Income Taxes (Concluded)**

As of January 1, 2019, due to its current sources and mix of revenue, the Foundation has voluntarily begun filing income taxes as a private foundation under Section 4942(j)(3) of the Internal Revenue Code. As such, the Foundation is subject to federal excise tax of 1.39% on net investment income, as defined under federal law, which includes realized gains on the sale of investments.

**Property and Equipment**

Property and equipment are stated at cost, or, if donated, at the approximate fair value at the date of donation. Expenditures for maintenance and repairs necessary to maintain the assets in efficient operating condition are expenses currently.

Depreciation is computed by using the straight-line method over the economic useful lives of the assets. Depreciation rates are based on the following range of useful lives:

Equipment	4 to 10 Years
Leasehold Improvements	5 to 39 Years

Depreciation expense for the years ended December 31, 2024 and 2023 was \$4,974 and \$4,502, respectively.

**Functional Allocation of Expenses**

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are allocated among the program and supporting services benefited. Salaries and related expenses are allocated amongst the different functions based on estimates of time and effort of employees, while other expenses, that have not already been directly identified, are allocated based upon management's judgement. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support of the Foundation. The Foundation does not fundraise; therefore, no expenses have been allocated to fundraising activities.

**Financial Statement Presentation**

In August, 2016, the Financial Accounting Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities* (Topic 958): *Presentation of Financial statements of Not-For Profit Entities*. ASU 2016-14 amends the presentation and disclosures to help not-for-profit organizations provide more relevant information about their resources (and changes in those resources) to donors, grantors, creditors, and other users. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: a) net asset classes, b) investment return, c) expenses, d) liquidity and availability of resources, and e) presentation of operating cash flows. The new standard is effective for years beginning after December 15, 2017. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions, and amounts previously reported as temporarily restricted and permanently restricted net assets are now reported as net assets with donor restrictions.

**Revenue Recognition**

The Foundation's revenues are derived from investment income, contributed items and services and contributions made as a result of being a beneficial ownership in perpetual trusts. Additionally, the Foundation occasionally enters into agreements to obtain grant funds to carry out its mission. There was no grant contracts entered into during the years ended December 31, 2024 and 2023, respectively.

The Foundation does not engage in exchange transactions; therefore, its revenues are recognized under ASU 2018-05 (Topic 958), which clarified prior guidance under contributions received and made. Under the standard, revenues are recognized when allowable expenses are incurred. Funds received in advance of their proper usage are accounted for as funds received in advance (a liability) in the statement of financial position. Funds that are spent in accordance with requirements but not yet received are accounted for as receivables on the statement of financial position.

The Foundation's revenues derived from investments and trusts are recognized in accordance with Fair Value Measurement standards. Refer to *Note 9*.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

	<u>2024</u>	<u>2023</u>
Pennsville National Bank - Savings Account	\$ 639,675	\$ 622,840
SEI Government Fund	232,304	881,369
<b>Total</b>	<b>\$ 871,979</b>	<b>\$ 1,504,209</b>

**NOTE 3 – INVESTMENTS – SEI PRIVATE TRUST COMPANY**

Investments as of December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Domestic Equities	\$ 8,196,106	\$ 8,120,831
Fixed Income	9,969,893	8,961,339
International Equities	6,374,602	5,151,151
<b>Total Cost</b>	<b>24,540,601</b>	<b>22,233,321</b>
Allowance for Market Fluctuations	153,520	(204,541)
<b>Investments @ Market Value</b>	<b>\$ 24,694,121</b>	<b>\$ 22,028,780</b>

**NOTE 4 – CONCENTRATION OF CREDIT RISK**

The Foundation maintains its cash balances at Pennsville National Bank. At various times during the year, the Foundation may have cash balances that exceed the FDIC Insurance limits, but management believes that this concentration of cash involves a reasonable level of risk. At December 31, 2024 and 2023, uninsured cash were \$389,675 and \$1,004,209, respectively.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and Equipment as of December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 50,923	\$ 50,923
Leasehold Improvements	42,350	42,350
<b>Total Cost</b>	<b>93,273</b>	<b>93,273</b>
Less: Accumulated Depreciation	(55,018)	(50,044)
<b>Property and Equipment, Net</b>	<b>\$ 38,255</b>	<b>\$ 43,229</b>

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – NOTE RECEIVABLE - CHA PARTNERS, LLC**

On December 15, 2022, Inspira Health Network, Inc. (Inspira) purchased Salem Medical Center. This transaction was conditional upon Salem Health and Wellness Foundation's forgiveness of the total indebtedness owed to the Foundation by Salem Medical Center in the amount of \$24,500,000. This condition was satisfied at the closing of the sale on December 15, 2022 as follows:

1. Salem Medical Center paid principal on the indebtedness owed to the Foundation in the amount of \$1,500,000 and accrued interest in the amount of \$160,000.
2. The Foundation forgave \$20,000,000 of the indebtedness owed to it by Salem Medical Center.
3. The Foundation forgave \$425,473 of previously recorded accrued interest.
4. The Foundation entered into a promissory note agreement receivable with CHA Partners, LLC in the amount of \$3,000,000.

The terms of the promissory note receivable agreement with CHA Partners, LLC in the amount of \$3,000,000 state that interest will be charged on the unpaid principal balance at the rate of 6% per annum, with no periodic payments due. The promissory note receivable is personally guaranteed by William J. Colgan and Steven M. Rosefsky of CHA Partners, LLC. The maturity date of this promissory note receivable was April 15, 2023.

The Foundation did not receive payment from CHA Partners, LLC as of the maturity date and pursued legal action for collection. The Foundation formally filed a complaint against the defendants, CHA Partners, LLC, William Colgan and Steven Rosefsky for breach of contract and collection on personal guarantees. On January 23, 2024, the court granted the Foundation's summary judgement and awarded damages in Foundation's favor for amounts owed. For the years ended December 31, 2024 and 2023, the Foundation is owed the original note of \$3,000,000 and accrued interest of \$367,890 and \$187,890, respectively. The Foundation has yet to receive payment as of the date of the financial statements, however expects to receive the balance in full due to court decisions in its favor. No reserve has been recorded.

In addition, as part of the judgement, the Foundation would be reimbursed attorneys' fees and costs. These reimbursements have not been accrued into the financial statements as the matter is ongoing and amounts can not be reasonably estimated at this time.

**NOTE 7 – BENEFICIAL INTERESTS IN PERPETUAL TRUSTS**

The Foundation is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the Foundation. The Foundation has legally enforceable rights and claims to such assets, including the right to income therefrom. The assets are recognized at the estimated fair value of the related trust assets, which are generally composed of cash, cash equivalents and mutual funds. Because the trusts are perpetual in nature and the corpus cannot be violated, they are reported as net assets with donor restrictions.

The Foundation received a final distribution in 2019 of the principal of the Trust under Deed of Harold S. Huber dated June 20, 1986, known as the Joseph Michael Galvin, Jr. Scholarship Trust (the "Trust"), following the Trust's termination in accordance with the New Jersey Uniform Trust Code. The distribution of approximately \$85,906 is included in the financial statements as net assets with donor restrictions.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – BENEFICIAL INTERESTS IN PERPETUAL TRUSTS (CONCLUDED)**

The Foundations interests in perpetual trusts for the year ended December 31, 2024 is presented as follows:

<b>Perpetual Trust</b>	<b>Beginning Value</b>	<b>Change in Value</b>	<b>Ending Value</b>	<b>Income Distributions</b>
Fox Trust	\$ 625,696	\$ 27,063	\$ 652,759	\$ 30,000
Huber Trust	117,027	(478)	116,549	4,200
Rumsey Trust	196,826	10,300	207,126	9,000
Hitchner Trust	9,551,301	436,021	9,987,323	350,000
Parvin Trust	279,030	16,241	295,272	12,043
<b>Total</b>	<b>\$ 10,769,881</b>	<b>\$ 489,148</b>	<b>\$ 11,259,029</b>	<b>\$ 405,243</b>

The Foundations interests in perpetual trusts for the year-ended December 31, 2023 is presented as follows:

<b>Perpetual Trust</b>	<b>Beginning Value</b>	<b>Change in Value</b>	<b>Ending Value</b>	<b>Income Distributions</b>
Fox Trust	\$ 586,338	\$ 39,358	625,696	\$ 30,000
Huber Trust	109,025	8,003	117,027	3,150
Rumsey Trust	185,636	11,190	196,826	9,500
Hitchner Trust	9,030,951	520,350	9,551,301	484,000
Parvin Trust	251,995	27,035	279,030	12,746
<b>Total</b>	<b>\$ 10,163,945</b>	<b>\$ 605,936</b>	<b>\$ 10,769,881</b>	<b>\$ 539,396</b>

Additionally, the Foundation received income distributions from the Clifford Sherron Trust for the years ending December 31, 2024 and 2023 in the amounts of \$1,015 and \$520, respectively. These amounts were not reflected on the statement of financial position.

**NOTE 8 – 403(b) PENSION PLAN**

In May of 2004, the Foundation established a 403(b) retirement plan for its employees. Through December 31, 2010, the plan was an employee contributory plan, only. Effective January 1, 2011, the Foundation began matching employee contributions to the retirement plan up to 6% of compensation. The Foundation terminated the plan during the year ended December 31, 2023.

**NOTE 9 – FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements).

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – FAIR VALUE MEASUREMENTS (CONTINUED)**

The three levels of the fair value hierarchy under the topic are described below:

Level 1 - Quoted prices for identical assets or liabilities in active markets

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Significant Inputs to the valuation model are unobservable.

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

*Alternative Investments* – This consists of an investment in SEI Core Property Fund Escrow Asset. These Investments are reported at estimated fair values by using the net asset value, as a practical expedient, provided by investment managers (SEI). Because of the inherent uncertainty of valuation, estimated fair values may differ from values that would have been used had a ready market for the investments existed, and the difference could be material. Due to these facts, the alternative investments should not be considered liquid investments that are readily convertible to cash.

*Common Stocks* – Valued at the quoted price reported on a national securities exchange on which the individual securities are traded.

*Registered Investment Companies, Mutual Funds, and EFT's* – Valued at the net asset value of the shares held by the Foundation at year end.

*Beneficial Interest in Perpetual Trusts* – Valued at the fair value of the assets held in the trusts as reported by the trustees as of year end. The Foundation considers the measurement of its beneficial interest in perpetual trusts to be a Level 3 measurement within fair value measurement hierarchy because even though the measurement is based on the unadjusted fair value of trust assets reported by the trustee, the Foundation will never receive those assets or have the ability to direct the trustee to redeem them.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The financial instrument's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – FAIR VALUE MEASUREMENTS (CONCLUDED)**

The following schedules sets forth, by level, the Foundation's investment assets at fair value, within the fair value hierarchy for the years ending December 31, 2024 and 2023.

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Domestic Equities	\$ 9,705,014	\$ -	\$ -	\$ 9,705,014
International Equities	5,966,265	-	-	5,966,265
Fixed Income	-	9,022,842	-	9,022,842
<b>Total Investments</b>	<b>\$ 15,671,279</b>	<b>\$ 9,022,842</b>	<b>\$ -</b>	<b>\$ 24,694,121</b>
Beneficial Interests in Perpetual Trusts	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,259,029</b>	<b>\$ 11,259,029</b>
	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Domestic Equities	\$ 9,278,697	\$ -	\$ -	\$ 9,278,697
International Equities	4,674,139	-	-	4,674,139
Fixed Income	-	8,075,944	-	8,075,944
<b>Total Investments</b>	<b>\$ 13,952,836</b>	<b>\$ 8,075,944</b>	<b>\$ -</b>	<b>\$ 22,028,780</b>
Beneficial Interests in Perpetual Trusts	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,769,881</b>	<b>\$ 10,769,881</b>

The Foundation recognizes transfers into and out of levels at the end of the reporting period. There were no transfers between levels for the years ended December 31, 2024 and 2023, respectively.

**NOTE 10 – DONATED FACILITIES**

On September 8, 2006, the Foundation moved into a new office space at 91 S. Virginia Ave., Carneys Point, NJ. This office space has been donated by Pennsville National Bank. The donated facilities will be included as a contribution and the corresponding rental expense at \$1,200 per month. The value of donated facilities included as contributions in the financial statements and the corresponding rental expense for the years ended December 31, 2024 and 2023 were \$14,400 and \$14,400, respectively.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date as of December 31, 2024 and 2023 comprise of the following:

	<b>2024</b>	<b>2023</b>
Cash and Cash Equivalents	\$ 871,979	\$ 1,504,209
Investment Income Receivable	26,786	27,344
Investments	24,694,121	22,028,780
<b>Total</b>	<b>\$ 25,592,887</b>	<b>\$ 23,560,333</b>

Financial assets that are restricted for use are those in perpetual trusts as discussed in *Note 9*. Once distributed to the Foundation, the funds are released from restriction. Assets released from restriction during the years ended December 31, 2024 and 2023 were \$406,258 and \$539,916, respectively.

**NOTE 12 – CONTRIBUTIONS AND GRANTS PAID**

As discussed in *Note 1*, the Foundation invests in sustainable initiatives that promote the overall health and wellness of Salem County, NJ residents. This is accomplished through the issuance of grants, sponsorships and funding through their matching gift program. The Foundation monitors these grants and gifts to ensure the funds are being used for their intended purposes to carry out the Foundation’s mission. During the years ended December 31, 2024 and 2023, the Foundation made total contributions of 497,779 and \$328,310, respectively.

**NOTE 13 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the statement of financial position but arose after that date (that is, non-recognized subsequent events).

The Foundation has evaluated subsequent events through May 22, 2025, which was the date that these financial statements were available to be issued.