

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A	This return/report is for: ☐ a multiemployer plan ☒ a single-employer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☒ an amended return/report ☐ the final return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☐ Form 5558 ☐ automatic extension ☒ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information		
1a	Name of plan COMHAR 403(B) RETIREMENT SAVINGS PLAN	1b	Three-digit plan number (PN) ▶ 002
		1c	Effective date of plan 01/01/2012
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) COMHAR, INC. TYRONE HOWELL 100 W LEHIGH AVE PHILADELPHIA, PA 19133-4039	2b	Employer Identification Number (EIN) 23-7418921
		2c	Plan Sponsor's telephone number 215-203-3000
		2d	Business code (see instructions) 621420

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/29/2025	TYRONE HOWELL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/29/2025	TYRONE HOWELL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 541
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 405
a(2) Total number of active participants at the end of the plan year		6a(2) 455
b Retired or separated participants receiving benefits		6b 0
c Other retired or separated participants entitled to future benefits.....		6c 102
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 557
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 2
f Total. Add lines 6d and 6e		6f 559
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 515
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 84
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2F 2G 2L 2M 2S 2T 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance	
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts	
(3) ☒ Trust	(3) ☒ Trust	
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules		b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☒ 1 A (Insurance Information)	
	(4) ☒ C (Service Provider Information)	
	(5) ☐ D (DFE/Participating Plan Information)	
	(6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan COMHAR 403(B) RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 COMHAR, INC.	D Employer Identification Number (EIN) 23-7418921	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
40-0127290	61271	613953	577	01/01/2022	12/31/2023

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.
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(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end.....	4	0
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ CUSTODIAL GUARANTEED INTEREST CONTRACT

b	Balance at the end of the previous year	7b	358322
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c	Additions: (1) Contributions deposited during the year	7c(1)	14051	
	(2) Dividends and credits.....	7c(2)	0	
	(3) Interest credited during the year.....	7c(3)	4564	
	(4) Transferred from separate account.....	7c(4)	0	
	(5) Other (specify below)	7c(5)	6574	

▶ LOAN PAYMENT, CORRECTION

(6) Total additions.....	7c(6)	25189
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d	Total of balance and additions (add lines 7b and 7c(6))	7d	383511
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	133811	
(2) Administration charge made by carrier.....	7e(2)	2852	
(3) Transferred to separate account.....	7e(3)	0	
(4) Other (specify below)	7e(4)	8924	

▶

(5) Total deductions.....	7e(5)	145587
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f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	237924
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan COMHAR 403(B) RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 COMHAR, INC.	D Employer Identification Number (EIN) 23-7418921	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
--

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	113739	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
BCG SECURITIES INC	27 99	29184

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	INVESTMENT ADVISORY (PLAN)

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	KREISCHER MILLER	b EIN:	23-1980475
c Position:	INDEPENDENT AUDITORS		
d Address:	100 WITMER ROAD SUITE 350 HORSHAM, PA 19044	e Telephone:	215-441-4600

Explanation: THE PLAN'S PRIOR INDEPENDENT AUDITOR DECLINED TO CONTINUE THE ENGAGEMENT DUE TO STAFFING LIMITATIONS. THE DECISION WAS NOT THE RESULT OF ANY DISAGREEMENTS WITH THE AUDITOR OR ACCOUNTING PRINCIPLES, PROCEDURE OR THE SCOPE OF THE AUDIT.

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>COMHAR 403(B) RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>COMHAR, INC.</u>	D Employer Identification Number (EIN) <u>23-7418921</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans.....	1c(8)	283938	320435
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	10820959	8924399
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	345049	358322
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	11449946	9603156

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11449946	9603156
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	442455	
(B) Participants	2a(1)(B)	914667	
(C) Others (including rollovers)	2a(1)(C)	18816	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1375938
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	13335	
(F) Other	2b(1)(F)	5580	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		18915
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	166555	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		166555
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-1791083
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		-229675
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1504205	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)	3312	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1507517
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	109598	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		109598
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1617115
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-1846790
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WITHUM SMITH & BROWN PC

(2) EIN: 22-2027092

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a	X		137949

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan COMHAR 403(B) RETIREMENT SAVINGS PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 COMHAR, INC.		D Employer Identification Number (EIN) 23-7418921
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 42-0127290		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3 289
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
	a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a	
	b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
	c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
	b The corresponding number for the second preceding plan year.....	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c) a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____% b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____
20	PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation _____



COMHAR, INC. AND AFFILIATES
Consolidated Financial Statements
June 30, 2022
With Independent Auditor's Reports

COMHAR, Inc. and Affiliates
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June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
COMHAR, Inc. and Affiliates:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of COMHAR, Inc. and Affiliates (the "Group"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of COMHAR, Inc. and Affiliates as of June 30, 2022, and the results of 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") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 Group 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS and *Government Auditing Standards* 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Group'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *City of Philadelphia Subrecipient Audit Guide* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating statement of financial position and the consolidating statement of activities and changes in net assets are also presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 on our consideration of the Group's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Group's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering COMHAR, Inc. and Affiliates' internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith & Brown, PC".

March 31, 2023

COMHAR, Inc. and Affiliates
Consolidated Statement of Financial Position
June 30, 2022

Assets

Current assets	
Cash and cash equivalents	\$ 4,591,037
Accounts receivable, net	8,511,794
Prepaid expenses and deposits	427,852
Other current assets	<u>255,067</u>
Total current assets	<u>13,785,750</u>
Land, buildings, improvements and furniture and equipment, net	<u>6,474,160</u>
Other assets	
Restricted cash	591,117
HUD reserves	6,397
Derivative - Swap	<u>161,251</u>
Other	<u>758,765</u>
Total assets	<u>\$ 21,018,675</u>

Liabilities and Net Assets

Liabilities	
Current liabilities	
Current portion of long-term debt	\$ 317,999
Accounts payable and accrued expenses	1,159,696
Accrued payroll and related costs	2,447,382
Accrued interest	10,340
Deferred revenue	<u>1,314,285</u>
Total current liabilities	5,249,702
Long-term debt, net of current portion	<u>4,665,038</u>
Total liabilities	<u>9,914,740</u>
Net assets	
Without donor restrictions	10,426,885
With donor restrictions	<u>677,050</u>
Total net assets	<u>11,103,935</u>
Total liabilities and net assets	<u>\$ 21,018,675</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

COMHAR, Inc. and Affiliates
Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Grants and contracts from governmental agencies			
City of Philadelphia	\$ 5,471,502	\$ -	\$ 5,471,502
Commonwealth of Pennsylvania	15,794,200	-	15,794,200
Other	<u>3,864,263</u>	<u>-</u>	<u>3,864,263</u>
Total fees and grants from government agencies	<u>25,129,965</u>	<u>-</u>	<u>25,129,965</u>
Other public support and revenue			
Fees and services	19,128,242	-	19,128,242
Room, board, and housing assistance	1,743,080	-	1,743,080
Other revenues and contributions	832,276	-	832,276
Net assets released from restrictions	<u>28,125</u>	<u>(28,125)</u>	<u>-</u>
Total other public support and revenue	<u>21,731,723</u>	<u>(28,125)</u>	<u>21,703,598</u>
Total support and revenue	<u>46,861,688</u>	<u>(28,125)</u>	<u>46,833,563</u>
Expenses			
Program services			
Behavioral health	23,423,583	-	23,423,583
Intellectual disabilities	11,590,639	-	11,590,639
Staffing management services	3,051,392	-	3,051,392
Housing support	571,272	-	571,272
Management and general	7,822,209	-	7,822,209
Development	<u>7,490</u>	<u>-</u>	<u>7,490</u>
Total expenses	<u>46,466,584</u>	<u>-</u>	<u>46,466,584</u>
Changes in net assets from operating activities before other income (expense)	395,104	(28,125)	366,979
Change in fair value of interest rate swap	<u>178,406</u>	<u>-</u>	<u>178,406</u>
Change in net assets	<u>573,510</u>	<u>(28,125)</u>	<u>545,385</u>
Net assets			
Beginning of year	<u>9,853,375</u>	<u>705,175</u>	<u>10,558,550</u>
End of year	<u>\$ 10,426,885</u>	<u>\$ 677,050</u>	<u>\$ 11,103,935</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

COMHAR, Inc. and Affiliates
Consolidated Statement of Cash Flows
Year Ended June 30, 2022

Operating activities

Changes in net assets	\$ 545,385
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation and amortization	648,889
Bad debt expense	2,377,084
Change in fair value of interest rate swap	178,406
(Increase) decrease in assets	
Accounts receivable	(2,701,145)
Prepaid expenses and deposits	(210,377)
Other assets	(16,368)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	740,851
Accrued payroll and related costs	246,143
Accrued interest	10,340
Deferred revenue	1,314,285
Net cash provided by operating activities	<u>3,133,493</u>

Investing activities

Capital expenditures	<u>(694,344)</u>
Net cash used in investing activities	<u>(694,344)</u>

Financing activities

Principal repayments on long-term debt	<u>(3,608,787)</u>
Net cash used in financing activities	<u>(3,608,787)</u>

Net change in cash and cash equivalents and restricted cash	(1,169,638)
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Cash and cash equivalents and restricted cash

Beginning of year	<u>6,358,189</u>
End of year	<u>5,188,551</u>

Cash, cash equivalents, and restricted cash at end of year comprise of

Cash and cash equivalents	\$ 4,591,037
Restricted cash	<u>597,514</u>
	<u>\$ 5,188,551</u>

Supplemental disclosure of cash flow information

Cash paid during the year for interest	<u>\$ 278,899</u>
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Supplemental disclosure of cash flow information

Refinance of mortgage payable	<u>\$ 3,500,000</u>
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The Notes to Consolidated Financial Statements are an integral part of this statement.

COMHAR, Inc. and Affiliates
Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	<u>Behavioral Health</u>	<u>Intellectual Disabilities</u>	<u>Staffing Mgmt Services</u>	<u>Housing Support</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Development</u>	<u>Total Expenses</u>
Expenses								
Salaries and wages	\$ 12,114,489	\$ 6,209,693	\$ 254,096	\$ 15,538	\$ 18,593,816	\$ 3,413,460	\$ -	\$ 22,007,276
Payroll taxes and employee benefits	2,540,828	1,614,549	110,780	12,626	4,278,783	682,936	-	4,961,719
Contract services and professional fees	3,718,574	1,212,143	2,660,945	84,095	7,675,757	708,106	2,100	8,385,963
Rent, utilities and housekeeping	2,022,209	572,347	-	92,896	2,687,453	219,723	-	2,907,176
Communications	240,110	168,980	276	-	409,365	237,850	-	647,215
Insurance	252,398	170,342	-	32,041	454,781	193,244	-	648,025
Food, clothing and supplies	551,068	417,591	3,918	1,391	973,968	120,532	5,390	1,099,890
Travel and related costs	47,673	114,424	-	-	162,097	41,771	-	203,868
Expendable equipment	107,741	214,773	842	-	323,355	173,991	-	497,346
Repairs and maintenance	422,828	252,076	20,355	141,793	837,052	828,719	-	1,665,771
Interest expense	-	3,036	-	98,898	101,934	187,305	-	289,239
Contributions, other taxes and miscellaneous	89,190	5,843	180	12,379	107,592	19,532	-	127,124
Uncollected receivables	<u>1,206,593</u>	<u>502,685</u>	<u>-</u>	<u>-</u>	<u>1,709,278</u>	<u>667,806</u>	<u>-</u>	<u>2,377,084</u>
Total expenses before depreciation and amortization	23,313,701	11,458,482	3,051,392	491,656	38,315,230	7,494,975	7,490	45,817,695
Depreciation and amortization	<u>109,882</u>	<u>132,157</u>	<u>-</u>	<u>79,616</u>	<u>321,655</u>	<u>327,234</u>	<u>-</u>	<u>648,889</u>
Total expenses	<u>\$ 23,423,583</u>	<u>\$ 11,590,639</u>	<u>\$ 3,051,392</u>	<u>\$ 571,272</u>	<u>\$ 38,636,885</u>	<u>\$ 7,822,209</u>	<u>\$ 7,490</u>	<u>\$ 46,466,584</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

1. ORGANIZATION PURPOSE

COMHAR, Inc. and Affiliates (the “Group”) are primarily nonprofit, nonsectarian agencies providing short and long-term therapy, day treatment programs, case management, housing placement, vocational and transitional living services, supportive services, and recreational activities for people with emotional difficulties, behavioral health, intellectual disabilities, and HIV. These services are provided through the Philadelphia region, primarily in the Kensington area of the City of Philadelphia and Montgomery and Northampton Counties.

Funding for the Group’s services is provided primarily through grants from the City of Philadelphia and Pennsylvania Department of Human Services (as conduits of federal and Pennsylvania funding) under annually renewable contractual arrangements. Services are also provided through Medical Assistance fee-for-service revenue from the Commonwealth of Pennsylvania; fee-for-service revenue from Community Behavioral Health (“CBH”); grants and housing assistance payments from the U.S. Department of Housing and Urban Development (“HUD”); and third-party insurer reimbursements. Positive and negative adjustments to fee-for-service billings are accounted for as adjustments to the related revenues in the year realized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (“U.S. GAAP”). The basic consolidated financial statements present the consolidated statements of COMHAR, Inc. (“Comhar”) and Affiliates (collectively, the “Group”). The affiliates comprise COMHAR Development Fund (“CDF”), Kensington Management Services, Inc. (“KMS”), COMHAR Residential Corp., MH Residences, Inc., and MR Residences Inc. (“Affiliates”).

Principles of Consolidation

All significant intercompany accounts and transactions have been eliminated in the basic consolidated financial statements. These companies are affiliated by means of overlapping Boards of Directors, management and financial interdependence.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Group. These net assets may be used at the discretion of the Group’s management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Group or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities and changes in net assets.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

Cash and Cash Equivalents

The Group considers all highly liquid investments with maturity of three months or less, at the time of acquisition, to be cash equivalents.

Accounts and Contracts Receivable

The Group provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts and contracts receivable are unsecured. Accounts past due are individually analyzed for collectability. In addition, an allowance is provided for other accounts when a significant pattern of collectability has occurred. When all collection efforts have been exhausted, the accounts are written off. At June 30, 2022, the allowance was \$2,710,015, respectively. Contracts receivable at July 1, 2021 was \$4,337,198.

HUD Reserves and Restricted Cash

The HUD reserves represent funds required to be set aside for the repair and replacement of the project facilities. Monthly required deposits were made in accordance with the Pennsylvania Housing Finance Agency ("PHFA") Regulatory Agreement. Other restricted cash represents segregated reserves and security deposits for the Group's five U.S. Department of Housing Development projects.

Property, Equipment and Depreciation

Property is recorded at cost, except for donated items that are recorded at fair value on the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as donor restricted support. In the absence of such restrictions, contributions of property and equipment are recorded as net assets without donor restricted support when the assets are placed in service. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renovations are charged to operations as incurred.

Certain assets were purchased with funding from federal or state sources. The Group has a contingent liability if it were to sell or stop using this property for its intended purposes to return its funding to source.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The principal rates for computing depreciation by major asset categories are stated below.

<u>Description</u>	<u>Estimated Life (Years)</u>
Buildings	15-40
Building improvements and renovations	15-30
Office equipment and furniture	5-10
Vehicles	3-5

Valuation of Long-Lived Assets

In accordance with the provisions of accounting standards related to *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Group reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these consolidated financial statements.

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

Revenue and Support Recognition

Revenue is recognized when control of the promised goods or services is transferred to customer in an amount that reflects the consideration the Group expects to be entitled to receive in exchange for those goods or services. The Group applies the five-step revenue model under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606 to determine when exchange revenue is earned and recognized. The Group follows FASB ASC 958, *Not-for-Profit Entities*, for nonreciprocal transactions that are outside the scope of FASB ASC 606.

Grants and Contributions

The Group recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. The Group reports contributions of cash and other assets as restricted contribution if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statement of activities as net assets released from restriction. Contributions with donor restrictions are reported as contributions without donor restrictions when the restriction is met in the same period as the contributions are received.

Grants from governmental agencies are considered conditional contributions are recognized when the conditions on which they depend are substantially met. Conditions are generally met when actual costs are incurred. Services provided by the Group under renewable contractual arrangements are generally reimbursed either by a pre-determined, negotiated cost rate or based upon net eligible program costs and are recognized as revenue when services are provided.

Fees and Services

Revenue from fee-for-service contracts is recorded in the period services are provided at net realizable amounts. The Group determines the transaction price for each contract based on the consideration expected to be received for the services being provided under the contract. Fee-for-service revenues are recognized over time as the services are rendered.

Revenue from staffing services provided by KMS is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control to a customer. Staffing service revenue is recognized over time as services are performed because of the continuous transfer of control to the customer. The customer typically controls the work in process as evidenced either by contractual termination clauses or by the Group's rights to payment for work performed to date plus a reasonable profit to deliver services that do not have an alternative use to the Group.

The Groups contracts do not include variable consideration. The Group does not have any significant financing components as payments is generally received shortly after the revenue is recognized.

Room, Board and Housing Assistance

Revenue from room, board, and housing assistance is earned pursuant to leases that generally do not exceed one year. The rents are accounted for as operating leases; revenues, including housing assistance payments, are recorded as housing services are provided.

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

Expense Allocation

The cost of providing the program services has been summarized on a functional basis within the consolidated statement of activities and changes in net assets. The Group internally tracks costs by individual program cost centers in the financial system. The Group considers the costs of directly running these programs as programmatic expenses. Expenses that do not directly relate to running program operations are treated as supporting expenses. For salaries, payroll taxes and fringe benefits, allocations by department are decided on an individual basis, based on the functions of each position and the time spent performing functions under the umbrella of a particular department. These allocations may be updated on a periodic basis based on the evolving responsibilities of a position, and by nature some positions will be split across multiple departments while others will be more compartmentalized. Contractual services and program consultants are allocated to programs based on the ratio of each program's direct expenses to the total of the selected program direct expenses unless directly charged. Occupancy costs are allocated based upon usable square footage. The Group prepares a schedule at the beginning of each year for each building which identifies the square footage being used by each individual. The resulting square footage distributions are divided by total square footage to arrive at percentage distributions for each individual. Based upon the allocation of an individual's salary, occupancy costs are allocated. Communications are allocated on the same basis as occupancy.

Tax Status

Except for KMS, the entities in the Group have been classified by the Internal Revenue Service ("IRS") as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Therefore, no provision for income taxes has been included in these consolidated financial statements.

KMS's provision for income taxes was immaterial for the years ended June 30, 2022.

U.S. GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on the Group's federal or state tax returns. Management has evaluated the impact of this standard on its consolidated financial statements and believes that there are no uncertain tax positions that would materially affect the Group's financial position or results of operations or require disclosure.

The Group recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for the years ended June 30, 2022 and 2021.

With a few exceptions, the tax returns of the Group are subject to examination by the relevant tax authorities until the expiration of the applicable statute of limitations, which is generally three years after the filing of the tax returns.

New Accounting Pronouncement Adopted in Current Year

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The standard is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization adopted the required of the new guidance on a full retrospective method of transition. The Organization concluded that the effects of applying ASU 2020-07 to the prior year financial statements were immaterial, and as such, no adjustments were made to the 2021 consolidated financial statements.

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

New Accounting Pronouncements Issued Not Yet Effective

In February 2016, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), which requires the recognition of a "right to use" asset and a lease liability, initially measured at the present value of the lease payments on the consolidated statement of financial position for all of the Organization's lease obligations. The effective date upon issuance for the Organization would be the fiscal year beginning July 1, 2022.

The FASB recently issued ASU 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, to ease the burden of accounting for contract modifications related to reference rate reform. The amendments in ASU 2020-04 create a new Topic in the Codification, ASC 848, *Reference Rate Reform*, which contains guidance that is designed to simplify how entities account for contracts that are modified to replace LIBOR or other benchmark interest rates with new rates. The amendments in ASU 2020-04 give qualifying entities the option to apply expedients and exceptions to contract modifications that are made until December 31, 2022, if certain criteria are met. If adopted, these amendments and exceptions should be applied to all eligible modifications to contracts that are accounted for under an ASC Topic or industry Subtopic, except for hedging instruments. The optional expedients and exceptions for hedge accounting relationships designated under ASC 815 may be elected on a hedge-by-hedge basis.

In January 2021, the FASB issued ASU 2021-01, which refines and clarifies some of its guidance as part of the Board's monitoring of global reference rate reform activities. The ASU permits entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by changes in the interest rates used for discounting cash flows, for computing variation margin settlements, and for calculating price alignment interest in connection with reference rate reform activities under way in global financial markets (the "discounting transition"). The FASB acknowledges that not all derivative contracts subject to the discounting transition reference LIBOR or other interbank offered rates that are expected to be discontinued. For example, the discounting transition will affect derivative contracts that currently reference and will continue to reference other interest rates (e.g., EFFR, SOFR, the Securities Industry and Financial Markets Association ("SIFMA") Municipal Swap Rate. However, the current scope of ASC 848 does not include such contracts.

This ASU was intended to provide relief related to "contracts and transactions that reference LIBOR or a reference rate that is expected to be discontinued as a result of reference rate reform" and expands the scope of ASC 848 to include all affected derivatives and give market participants the ability to apply certain aspects of the contract modification and hedge accounting expedients to derivative contracts affected by the discounting transition.

The Group is currently evaluating the effect that these pronouncements will have on its financial statements and related disclosures.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Group's financial assets available within one year of June 30, 2022 to meet general expenses include:

Cash and cash equivalents	\$ 4,591,037
Accounts receivable, net	8,511,794
Grants receivable	<u>1,643,636</u>
	14,746,467
Less: Net assets with donor restrictions	<u>(677,050)</u>
Available financial assets	<u>\$ 14,069,417</u>

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

The Group manages its liquidity and reserves following three funding principles: operating within prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve this target management forecasts its future cash flows and monitors liquidity on a monthly basis. In addition, in an event of unanticipated liquidity need the Group can draw upon the \$4,000,000 available line of credit.

4. ACCOUNTS RECEIVABLE

The Group's accounts receivable consists of the following at June 30:

City of Philadelphia	\$ 2,774,938
Philadelphia Office of Community Behavioral Health	1,643,636
U.S. Department of Housing and Urban Development	239,307
Northampton County, PA	112,313
Medical assistance	4,648,177
Medicare	258,077
Staffing services	515,110
Other receivables	<u>1,112,985</u>
	11,304,543
Allowance	<u>(2,792,749)</u>
	<u>\$ 8,511,794</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

Land, buildings and improvements	\$ 15,868,866
Furniture and equipment	<u>6,296,184</u>
	22,165,050
Less: Accumulated depreciation	<u>15,690,890</u>
	<u>\$ 6,474,160</u>

Depreciation and amortization expense for the year ended June 30, 2022 was \$648,889.

6. FAIR VALUE ACCOUNTING

The Group has adopted the accounting guidance related to Fair Value Measurements with respect to its financial assets and liabilities. Fair Value Measurements defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosure about fair value measurements. Fair value is defined under Fair Value Measurements as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value under Fair Value Measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value as follows:

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

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities (Note 8).

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 June 30, 2022.

7. LINE OF CREDIT

On April, 29 2022, the Group amended its existing revolving credit agreement with a financial institution for normal working capital requirements that allows it to borrow up to \$4,000,000. There are numerous interest rate options at the Group's discretion. As of June 30, 2022, the Group has elected the SOFR base rate quoted by the financial institution plus the applicable margin with a range of 0.75% to 1.75% plus the spread adjustment of 0.11%. As of June 30, 2022, the SOFR base rate was 1.089%. The revolving credit commitment is secured by substantially all assets of the Group. The amended agreement matures on April 30, 2023. The Group had no outstanding balance at June 30, 2022.

The terms of the line of credit provide for maintenance of certain financial covenants and other nonfinancial covenants. As of June 30, 2022, the Group was in compliance with its nonfinancial and financial covenants.

8. LONG-TERM DEBT

On December 29, 2011, PNC Bank, NA. ("PNC") purchased the revenue bonds from Upper Gwynedd Industrial Development Authority and entered into a tax-exempt bank qualified loan agreement with COMHAR, Inc. for \$3,450,000. COMHAR and CDF are the borrowers on the loan, with KMS acting as the guarantor. The loan agreement requires the repayment be made through monthly installments ranging from \$10,112 to \$14,051 from February 1, 2012 through December 29, 2021, at which point a balloon payment of \$2,024,965 becomes due. The loan bears interest at 65% of 2.25% over the LIBOR rate, plus a tax exempt LIBOR base rate of 0.1% (1.64% at June 30, 2021). The COMHAR Borrowing Group is required to maintain a minimum debt service coverage ratio and is subject to certain other financial restrictions. The COMHAR Borrowing Group has pledged substantially all of its assets to collateralize the amount due. The loan was refinanced in April of 2022.

In April of 2022, COMHAR Borrowing Group refinanced the original note dated December 29, 2011 in the amount of \$3,500,000 with PNC. The Loan bears interest at a rate per annum equal to the sum of the Bloomberg Short-Term Bank Yield Index rate in effect on each reset date, (the 29th day of every month) plus two hundred eighty-five basis points (2.85%). The loan agreement requires repayment to be made through monthly installments ranging from \$8,526 to \$11,900 from April 29, 2022 through April 29, 2029, at which point a balloon payment of \$2,656,978 becomes due.

The terms of the loan provide for maintenance of certain financial covenants and other nonfinancial covenants. As of June 30, 2022, the Group was in compliance with the nonfinancial and financial covenants.

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

Long-term debt consists of the following as of June 30:

Note payable to City of Philadelphia, Division of Housing and Community Development	\$ 69,615
Note payable to City of Philadelphia, Division of Housing and Community Development	15,699
Mortgage notes, U.S. Department of Housing and Urban Development	1,077,361
Mortgage note, PNC Bank, N.A.	171,803
Note payable to PNC Bank, N.A.	<u>3,648,559</u>
	4,983,037
Less: Current portion	<u>317,999</u>
	<u><u>\$ 4,665,038</u></u>

Scheduled annual future maturities of long-term debt, excluding the interest rate swap liability, as of June 30, 2022 are as follows:

2023	\$ 317,999
2024	287,616
2025	216,833
2026	227,847
2027	231,958
Thereafter	<u>3,700,784</u>
	<u><u>\$ 4,983,037</u></u>

Interest expense under the long-term debt amounted to \$289,238 for the year ended June 30, 2022.

9. DERIVATIVE FINANCIAL INSTRUMENTS

In connection with the issuance of the Revenue Bonds, Series 2011, in December of 2011, the Group has entered into an interest rate swap agreement with notional amounts indexed to the outstanding principal of the debt. The swap was executed to achieve present value and gross cash flow savings on the underlying debt. The Groups purpose for entering into the swap arrangement was to hedge against the risk of interest rate increases on the related variable rate debt. Accordingly, the swap arrangement is classified as a cash flow hedge. Management expects, at present, that the interest rate swap agreement will continue to be utilized to hedge interest rate exposures related to its outstanding bonds payable. The swap agreement was valued at \$161,251 as of June 30, 2022 and is included in other assets in the accompanying statement of financial position. Unrealized gains of \$178,406 was recorded for the year ended June 30, 2022, in the statement of activities and changes in net assets.

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 June 30, 2022. There have been no purchases, issuances or transfers in or out of level 3 measurements.

Derivative swap agreements have been valued at fair value based on the future value of discounted cash flows.

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

The following is a summary of activity for the year ended June 30, 2022:

	<u>Total</u>	<u>Quoted In Active Markets (Level 1)</u>	<u>Observable Measurement Criteria (Level 2)</u>	<u>Unobservable Measurement Criteria (Level 3)</u>
Derivative swap agreement June 30, 2022	\$ 161,251	\$ -	\$ -	\$ 161,251

10. ACCRUED PAYROLL AND RELATED COSTS

Accrued payroll and related costs consist of the following as of June 30:

Accrued salaries and payroll taxes	\$ 1,357,327
Accrued vacation	804,762
Self-funded unemployment compensation liability (Note 11)	<u>285,293</u>
	<u>\$ 2,447,382</u>

11. COMMITMENTS AND CONTINGENCIES

The Group entered into non-cancelable operating leases for office, education, and medical facilities with varying terms through June 2027 that amounted to rent expense of \$1,577,000 for the year ended June 30, 2022. Future minimum payments for the remaining lease term are as follows for the year ending June 30:

2023	\$ 714,395
2024	662,977
2025	657,690
2026	671,331
2027	685,232
Thereafter	<u>1,652,241</u>
	<u>\$ 5,043,866</u>

Unemployment Compensation

The Group provides unemployment compensation to eligible terminated employees under a self-funded program. Under this program, the Group is required to reimburse the Pennsylvania Unemployment Compensation Fund for benefits paid to eligible terminated employees. A liability of \$285,293 has been included in accrued payroll and related costs as of June 30, 2022.

Litigation

The Group is involved in various legal proceedings arising in the ordinary course of business. The Group maintains liability on a claims-made basis through a commercial insurance carrier. In the opinion of management, although the outcome of any legal proceedings cannot be predicted, the ultimate liability of COMHAR, net of any insurance proceeds, would not have a material adverse effect on the financial position or activities of the Group.

Malpractice Risk

The Group maintains malpractice insurance coverage on a claims-made basis. The Group evaluates the ultimate cost of its malpractice claims and a liability is recognized in accounts payable and accrued expenses in the accompanying balance sheets for the estimated exposure to losses arising from such claims and other general liability insurance policy claims. In addition, since the Group anticipates indemnification for these liabilities, a corresponding insurance receivable is also recognized in accounts receivable in the accompanying balance sheets.

COMHAR, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022

The Group has determined, based on its own experience and industry experience data, that its potential liability for unreported claims is insignificant, and as such, no liability for unreported claims is included in the accompanying financial statements.

Derivative Instruments

The counterparty to the interest rate swaps discussed in Note 8 is a major financial institution. While the Group may be exposed to credit losses due to the nonperformance of the counterparty, management considers the risk remote and does not expect the ultimate settlement of these transactions to have a material effect on its financial position, results of operations and cash flows.

Insurance Claims

In December of 2022, the Group suffered from a watermain break in the main building. The Group has claimed approximately \$183,000 in damages from its insurance carrier which will be used to repair and enhance the building and damages caused by the watermain break.

12. RETIREMENT PLANS

The Group has a retirement plan under Section 403(b) of the IRC, covering eligible participating employees. This plan allows for employee deferrals and a match by the Group of up to 3% of each employee's annual salary. Total contributions to this plan for the year ended June 30, 2022 was \$404,052

13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30:

Subject to expenditure for a specified purpose	
Vanderwoude Center (a)	\$ 517,250
Future program and organizational development	<u>159,800</u>
	<u>\$ 677,050</u>

(a) Represents a building and land contributed by the commonwealth of Pennsylvania in June 1996. Any income or proceeds derived from the property must be used for expansion and/or enhancement of community behavioral health and intellectual disabilities services; further, the use of any income or proceeds must have regulatory approval.

14. CONCENTRATION OF CREDIT RISKS

Cash and Cash Equivalents

The Group has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Group's financial condition, results of operations, and cash flows.

Revenue

The Group receives funding from two funding sources which comprise approximately 77% of total support and revenue at June 30, 2022.

15. SUBSEQUENT EVENTS

The Group has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of March 31, 2023, which is the date the consolidated financial statements were available to be issued.



SUPPLEMENTARY INFORMATION

COMHAR, Inc. and Affiliates
Consolidating Statement of Financial Position by Entity
June 30, 2022

	<u>COMHAR, Inc.</u>	<u>COMHAR Development Foundation</u>	<u>Kensington Management Services, Inc.</u>	<u>COMHAR Residential Corp.</u>	<u>MH Residences, Inc.</u>	<u>MR Residences, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets								
Current assets								
Cash and cash equivalents	\$ 4,076,258	\$ 277,565	\$ 59,591	\$ 54,143	\$ 112,112	\$ 11,368	\$ -	\$ 4,591,037
Accounts receivable, net	8,036,889	-	424,532	25,983	11,913	12,477	-	8,511,794
Due from affiliates	2,622,132	-	1,237,427	-	-	-	(3,859,559)	-
Prepaid expenses and deposits	427,852	-	-	-	-	-	-	427,852
Other current assets	<u>255,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,067</u>
Total current assets	<u>15,418,198</u>	<u>277,565</u>	<u>1,721,550</u>	<u>80,126</u>	<u>124,025</u>	<u>23,845</u>	<u>(3,859,559)</u>	<u>13,785,750</u>
Land, buildings, improvements and furniture and equipment, net	<u>5,900,508</u>	<u>-</u>	<u>-</u>	<u>277,789</u>	<u>224,013</u>	<u>71,850</u>	<u>-</u>	<u>6,474,160</u>
Other assets								
Restricted cash								
HUD reserves	247,450	-	-	90,053	33,384	220,230	-	591,117
Security deposits	3,131	-	-	1,434	1,368	464	-	6,397
Derivative - Swap	<u>161,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,251</u>
Total other assets	<u>411,832</u>	<u>-</u>	<u>-</u>	<u>91,487</u>	<u>34,752</u>	<u>220,694</u>	<u>-</u>	<u>758,765</u>
	<u>\$ 21,730,538</u>	<u>\$ 277,565</u>	<u>\$ 1,721,550</u>	<u>\$ 449,402</u>	<u>\$ 382,790</u>	<u>\$ 316,389</u>	<u>\$ (3,859,559)</u>	<u>\$ 21,018,675</u>

See Independent Auditor's Report.

COMHAR, Inc. and Affiliates
Consolidating Statement of Financial Position by Entity
June 30, 2022

	<u>COMHAR, Inc.</u>	<u>COMHAR Development Foundation</u>	<u>Kensington Management Services, Inc.</u>	<u>COMHAR Residential Corp.</u>	<u>MH Residences, Inc.</u>	<u>MR Residences, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Liabilities, Net Assets (Deficit), and Stockholder's Equity								
Liabilities								
Current liabilities								
Current portion of long-term debt	\$ 243,069	\$ -	\$ -	\$ 32,642	\$ 24,148	\$ 18,140	\$ -	\$ 317,999
Accounts payable and accrued expenses	990,954	-	118,773	21,939	11,371	16,659	-	1,159,696
Accrued payroll and related costs	2,447,382	-	-	-	-	-	-	2,447,382
Accrued interest	3,661	-	-	3,707	2,083	889	-	10,340
Deferred revenue	1,311,785	2,500	-	-	-	-	-	1,314,285
Due to affiliates	984,893	24,049	1,304,501	662,212	648,555	235,349	(3,859,559)	-
Total current liabilities	<u>5,981,744</u>	<u>26,549</u>	<u>1,423,274</u>	<u>720,500</u>	<u>686,157</u>	<u>271,037</u>	<u>(3,859,559)</u>	<u>5,249,702</u>
								-
Long-term debt, net of current portion	<u>3,756,405</u>	<u>-</u>	<u>-</u>	<u>484,135</u>	<u>343,878</u>	<u>80,620</u>	<u>-</u>	<u>4,665,038</u>
Total liabilities	<u>9,738,149</u>	<u>26,549</u>	<u>1,423,274</u>	<u>1,204,635</u>	<u>1,030,035</u>	<u>351,657</u>	<u>(3,859,559)</u>	<u>9,914,740</u>
								-
Net assets (deficit)								
Without donor restrictions	<u>11,315,339</u>	<u>251,016</u>	<u>-</u>	<u>(755,233)</u>	<u>(647,245)</u>	<u>(35,268)</u>	<u>298,276</u>	<u>10,426,885</u>
With donor restrictions	<u>677,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>677,050</u>
Total net assets (deficit)	<u>11,992,389</u>	<u>251,016</u>	<u>-</u>	<u>(755,233)</u>	<u>(647,245)</u>	<u>(35,268)</u>	<u>298,276</u>	<u>11,103,935</u>
								-
Stockholder's equity								
Capital stock	-	-	10	-	-	-	(10)	-
Retained earnings	<u>-</u>	<u>-</u>	<u>298,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(298,266)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>298,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(298,276)</u>	<u>-</u>
								-
	<u>\$ 21,730,538</u>	<u>\$ 277,565</u>	<u>\$ 1,721,550</u>	<u>\$ 449,402</u>	<u>\$ 382,790</u>	<u>\$ 316,389</u>	<u>\$ (3,859,559)</u>	<u>\$ 21,018,675</u>

See Independent Auditor's Report.

COMHAR, Inc. and Affiliates
Consolidating Statement of Activities and Changes in Net Assets by Entity
Year Ended June 30, 2022

	<u>COMHAR, Inc.</u>	<u>COMHAR Development Foundation</u>	<u>Kensington Management Services, Inc.</u>	<u>COMHAR Residential Corp.</u>	<u>MH Residences, Inc.</u>	<u>MR Residences, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Public support and revenue								
Fees and grants from governmental agencies								
City of Philadelphia	\$ 5,471,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,471,502
Commonwealth of Pennsylvania	15,794,200	-	-	-	-	-	-	15,794,200
Other	<u>3,864,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,864,263</u>
Total fees and grants from governmental agencies	<u>25,129,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,129,965</u>
Other public support and revenue								
Fees and services	17,608,952	-	3,477,976	-	-	-	(1,958,686)	19,128,242
Room, board and housing assistance	1,468,714	-	-	105,124	101,010	68,232	-	1,743,080
Other revenues and contributions	<u>866,212</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>10</u>	<u>69</u>	<u>(34,043)</u>	<u>832,276</u>
Total other public support and revenue	<u>19,943,878</u>	<u>-</u>	<u>3,477,976</u>	<u>105,152</u>	<u>101,020</u>	<u>68,301</u>	<u>(1,992,729)</u>	<u>21,703,598</u>
Total public support and revenue	<u>45,073,843</u>	<u>-</u>	<u>3,477,976</u>	<u>105,152</u>	<u>101,020</u>	<u>68,301</u>	<u>(1,992,729)</u>	<u>46,833,563</u>
Expenses								
Program services	44,207,626	13,653	3,222,800	78,160	74,460	37,519	(1,958,686)	45,675,532
Management and general	25,413	7,488	-	14,045	12,581	10,643	(34,043)	36,127
Depreciation and amortization	588,095	-	-	23,889	29,489	7,171	-	648,644
Interest	<u>20,057</u>	<u>-</u>	<u>-</u>	<u>44,392</u>	<u>31,985</u>	<u>9,848</u>	<u>-</u>	<u>106,282</u>
Total expenses	<u>44,841,190</u>	<u>21,141</u>	<u>3,222,800</u>	<u>160,486</u>	<u>148,515</u>	<u>65,181</u>	<u>(1,992,729)</u>	<u>46,466,584</u>
Change in net assets from operating activities before other income (expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fair value of interest rate swap	178,406	-	-	-	-	-	-	178,406
Paycheck Protection Program loan forgiveness	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets and retained earnings	411,059	(21,141)	255,176	(55,334)	(47,495)	3,120	-	545,385
Net asset (deficit) and retained earnings								
Beginning of year	<u>11,581,330</u>	<u>272,157</u>	<u>43,100</u>	<u>(699,899)</u>	<u>(599,750)</u>	<u>(38,388)</u>	<u>-</u>	<u>10,558,550</u>
End of year	<u>\$ 11,992,389</u>	<u>\$ 251,016</u>	<u>\$ 298,276</u>	<u>\$ (755,233)</u>	<u>\$ (647,245)</u>	<u>\$ (35,268)</u>	<u>\$ -</u>	<u>\$ 11,103,935</u>

See Independent Auditor's Report.

COMHAR, Inc. and Affiliates
Schedule of Expenditures of Federal, State and City Awards
June 30, 2022

<u>Grantor/ Pass-Through Grantor, Program Number</u>	<u>Contract Number</u>	<u>Assistance Listing Number</u>	<u>Grant Period</u>	<u>Federal Expenditures</u>
FEDERAL AWARDS				
<u>U.S. Department of Health and Human Services</u>				
CCBHC Expansion Grant	1H79SM085262-01	93.829	9/1/21 to 6/30/22	<u>\$ 863,846</u>
Pass-Through Pennsylvania Department of Human Services Medical Assistance Program Residential Program, ICF/ID - Allegheny	100000406-0114	93.778	7/1/20 to 6/30/21	<u>722,603</u>
Pass-through City of Philadelphia Department of Public Health Social Services Block Grant Behavioral Health Programs	9920266	93.667	7/1/20 to 6/30/21	<u>56,194</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>1,642,643</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs				
Supportive Housing Programs	PA0018L3T001912	14.235	7/1/21 to 1/31/22	157,216
Supportive Housing Programs	PA0018L3T001811	14.235	2/1/22 to 6/30/22	135,224
Supportive Housing Programs	PA0080L3T001912	14.235	7/1/21 to 6/30/22	<u>384,582</u>
Total CFDA No. 14.235 Supportive Housing				<u>677,022</u>
Supportive Housing for the Elderly				
COMHAR SircI Project Section 202 Loan Balance (A)	PA26-T784-Q14/ 034-EH054	14.157	7/1/21 to 6/30/22	100,715
Lehigh Apartments Project Section 202 Loan Balance (A)	PA26-T808-001/ 034-EH130-LB-CMI	14.157	7/1/21 to 6/30/22	159,210
COMHAR Residential Corp Section 202 Loan Balance (A)	PA26-T841-040/ 034-EH306	14.157	7/1/21 to 6/30/22	531,107
MH Residences, Inc. Section 202 Loan Balance (A)	PA26-T831-018/ 034-EH231	14.157	7/1/21 to 6/30/22	320,625
MR Residences, Inc. Section 202 Loan Balance (A)	PA26-T831-033/ 034-EH248	14.157	7/1/21 to 6/30/22	<u>115,303</u>
Total CFDA No. 14.157 Supportive Housing for the Elderly				<u>1,226,960</u>
COMHAR SircI Project Section 8 Housing Assistance	PA26-T784-Q14/ 034-EH054	14.195	7/1/21 to 6/30/22	75,840
Lehigh Apartments Project Section 8 Housing Assistance	PA26-T808-001/ 034-EH130-LB-CMI	14.195	7/1/21 to 6/30/22	68,562
COMHAR Residential Corp Section 8 Housing Assistance	PA26-T841-040/ 034-EH306	14.195	7/1/21 to 6/30/22	64,570
MH Residences, Inc. Section 8 Housing Assistance	PA26-T831-018/ 034-EH231	14.195	7/1/21 to 6/30/22	76,032
MR Residences, Inc. Section 8 Housing Assistance	PA26-T831-033/ 034-EH248	14.195	7/1/21 to 6/30/22	<u>54,396</u>
Total CFDA No. 14.195 Section 8 Housing Assistance				<u>339,400</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>2,243,382</u>

See accompanying Notes to Schedule of Expenditures of Federal, State and City Awards.

COMHAR, Inc. and Affiliates
Schedule of Expenditures of Federal, State and City Awards
June 30, 2022

<u>Grantor/ Pass-Through Grantor, Program Number</u>	<u>Contract Number</u>	<u>Assistance Listing Number</u>	<u>Grant Period</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Treasury</u>				
Pass-Through Pennsylvania Department of Human Services				
Division of Mental Health				
American Rescue Plan Act Home and Community-Based Funding		21.027	03032021 to 12/31/2024	<u>57,780</u>
Office of Developmental Programs				
American Rescue Plan Act		21.027	03032021 to 12/31/2024	<u>556,319</u>
TOTAL FEDERAL AWARDS				<u>4,500,124</u>
(A) Represents the outstanding loan balance as of July 1, 2021				
See notes to schedule of expenditures of federal, state and city awards.				
STATE AWARDS				
<u>Pennsylvania Department of Human Services</u>				
Direct Programs				
Residential Program - ICF/ ID - Allegheny	1000000406-0114	N/A	71/21 to 6/30/22	387,003
Early Intervention Services	21-20006	N/A	71/21 to 6/30/22	<u>819,106</u>
Pass-Through County of Northampton Department of Human Services				
Long-Term Structured Residence and Specialized Supportive Housing	MH 2013-605 A-1	N/A	71/21 to 6/30/22	<u>1,378,441</u>
Pass-Through Philadelphia Department of Public Health				
Behavioral Health Programs	9920266	N/A	71/21 to 6/30/22	<u>4,888,793</u>
Behavioral Health Workforce Gap Payment (ARPA)		N/A	71/21 to 6/30/22	<u>202,667</u>
Employment Services	21-20004	N/A	71/21 to 6/30/22	<u>21,731</u>
TOTAL STATE AWARDS				<u>7,697,741</u>

See accompanying Notes to Schedule of Expenditures of Federal, State and City Awards.

COMHAR, Inc. and Affiliates
Schedule of Expenditures of Federal, State and City Awards
June 30, 2022

<u>Grantor/ Pass-Through Grantor, Program Number</u>	<u>Contract Number</u>	<u>Assistance Listing Number</u>	<u>Grant Period</u>	<u>Federal Expenditures</u>
CITY AWARDS				
<u>Philadelphia Department of Public Welfare</u>				
Behavioral Health Programs	9920266	N/A	71/21 to 6/30/22	<u>17,083</u>
Early Intervention Services	21-20006	N/A	71/21 to 6/30/22	<u>91,012</u>
Employment	21-2004	N/A	71/21 to 6/30/22	<u>2,415</u>
TOTAL CITY AWARDS				<u>110,510</u>
TOTAL FEDERAL, STATE, AND CITY AWARDS				<u>\$ 12,308,375</u>

(B) Accrued expenditures, net of other revenues earned under the program

See accompanying Notes to Schedule of Expenditures of Federal, State and City Awards.

COMHAR, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal, State and City Awards
June 30, 2022

1. GENERAL INFORMATION

The accompanying schedule of expenditures of federal, state and city awards programs of COMHAR, Inc. and Affiliates (the "Group"). All awards received directly from federal, state or city agencies as well as awards passed through other governmental agencies are presented on the schedule of federal, state and city awards.

2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

3. RELATIONSHIP TO BASIC CONSOLIDATED FINANCIAL STATEMENTS

Federal, state and city expenditures are reported as program services. In certain programs, the expenditures reported in the basic consolidated financial statements may differ from expenditures reported in the schedule of expenditures of federal, state and city awards due to presentation differences for non-grant sources which provided support for the programs.

4. INDIRECT COST RATE

The Group has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

5. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT LOAN PROGRAM

The Group has received U.S. Department of Housing and Urban Development direct loans. The loan balance outstanding at the beginning of the year is included in the consolidated schedule of expenditures of federal, state and city awards. The Group received no additional loans during the year. The activity of the loans during the year ended June 30, 2022 is as follows:

<u>Program Name</u>	<u>CFDA Number</u>	<u>Balance at June 30, 2021</u>	<u>Payments</u>	<u>Balance at June 30, 2022</u>
COMHAR Sircl Project Section 202 Loan	14.157	\$ 100,715	\$ (34,928)	\$ 65,787
Lehigh Apartments Project Section 202 Loan	14.157	159,210	(45,800)	113,410
COMHAR Residential Corp Section 202 Loan	14.157	531,106	(30,070)	501,036
MH Residences, Inc. Section 202 Loan	14.157	320,625	(22,241)	298,384
MR Residences, Inc. Section 202 Loan	14.157	115,176	(16,432)	98,744
		<u>\$ 1,226,832</u>	<u>\$ (149,471)</u>	<u>\$ 1,077,361</u>

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
COMHAR, Inc. and Affiliates:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of COMHAR, Inc. and Affiliates (the "Group"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the consolidated financial statements, we considered the Group's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Accordingly, we do not express an opinion on the effectiveness of the Group's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did identify a deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Organization's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Group's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Group's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Group's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the Group's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'.

March 31, 2023

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL, STATE AND CITY PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND THE CITY OF PHILADELPHIA SUBRECIPIENT AUDIT GUIDE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
COMHAR, Inc. and Affiliates:

Report on Compliance for Each Major Federal, State and City Programs

Opinion on Each Major Federal, State and City Programs

We have audited COMHAR, Inc. and Affiliates' (the "Group") compliance with the types of compliance requirements identified as subject to audit in the Office Management and Budget ("OMB") *Compliance Supplement* and *City of Philadelphia Subrecipient Audit Guide* that could have a direct and material effect on each of the Group's major federal programs for the year ended June 30, 2022. The Group's major federal, state and city programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, compiled, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal, state and city programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal, State and City Programs

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and the *City of Philadelphia Subrecipient Audit Guide*. Our responsibilities under those standards and the Uniform Guidance and the *City of Philadelphia Subrecipient Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Group and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Group's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Group's federal, state and city programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Group's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, the *City of Philadelphia Subrecipient Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Group's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the *City of Philadelphia Subrecipient Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Group's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Group's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *City of Philadelphia Subrecipient Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over

compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the City of Philadelphia Subrecipient Audit Guide. Accordingly, this report is not suitable for any other purpose.

Withum Smith+Brown, PC

March 31, 2023

COMHAR, Inc. and Affiliates
Schedule of Findings and Questioned Costs
June 30, 2022

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) No

The following federal program was designated as a major program:

	<u>Assistance</u> <u>Listing Number</u>
Coronavirus Relief Fund	21.027
CCBHC Expansion Grant	93.829
Supportive Housing Programs	14.235

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as a low-risk auditee? No

Section II - FINANCIAL STATEMENT FINDINGS

Finding 2022-001 – Internal Controls over Financial Reporting

Finding Type: Significant Deficiency

The Group's lack of effective internal controls over its maintenance of accurate accounting records (trial balance, general ledger, and schedule of expenditures of federal and state awards) led to significant adjustments to the consolidated financial statements and supplementary information.

Condition and Context: The Group failed to maintain an accurate trial balance and general ledger to support certain account balances resulting in numerous client proposed correcting entries for which had not been adjusted timely by management would have materially misstated the consolidated financial statements.

Criteria: Accounting principles generally accepted in the United State of America and Government Auditing Standards require that the design or operation of internal control over financial reporting allow management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis.

COMHAR, Inc. and Affiliates
Schedule of Findings and Questioned Costs
June 30, 2022

2 CFR 200.303 states, "The non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission."

2 CFR 200.302 states, "The financial management system of each non-Federal entity must provide for following...accurate, current, and complete disclosure of each Federal award or program in accordance with the reporting requirements set forth in sections 200.328 and 200.329."

Cause: As a result of the COVID-19 pandemic, financial constraints and corresponding staffing challenges, the accounting and finance team at the Group were unable to reconcile supporting schedules and accounting records on a timely and thorough basis. At the same time, the accounting and finance team were faced with other administrative and operational matters requiring immediate attention to help ensure the Group remained operational. The Financial and staffing constraints resulted in lack of timely preparation and detailed review of accounting records and analysis which resulted in significant client proposed audit adjustments.

Effect or Potential Effect: The accounting records of certain account balances and transactions provided to auditors were inaccurate for a period of time during the fiscal year ending June 30, 2022. In certain instances, the related reconciliations and analysis were not performed on a timely basis. This caused significant adjustments proposed by management that were material to the consolidated financial statements.

Recommendation: We recommend that management implement a more detailed and adequate review of the accounting records including strong process and internal controls surrounding financial reporting. This process should identify the required accounting records and reconciliations, ensure the existence of preparer and reviewer requirements for the accounting records and reconciliations, and implement an appropriate time frame for the completion of accounting records and reconciliations.

Views of Responsible Officials: Management agrees with the finding above. The Group plans to implement the above recommendations and will review the operational resources available to expand the finance team and do so accordingly.

Person Responsible for Corrective Action: Chief Financial Officer

Section III - FEDERAL, STATE AND CITY AWARD FINDINGS AND QUESTIONED COSTS

None.

Section IV - FOLLOW-UP OF PRIOR-YEAR AUDIT FINDINGS

None.

REPORT ON APPLYING AGREED-UPON PROCEDURES FOR ICF/ID PROGRAMS

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
COMHAR, Inc. and Affiliates:

We have performed the procedures enumerated below with related to COMHAR, Inc. and Affiliates' compliance with the reporting of the schedule of census delays ("Schedule") for the ICFID program (West Allegheny Avenue Facility - MA#1000004060114) for the year ended June 30, 2022, as required by the Commonwealth of Pennsylvania Department of Human Services. COMHAR, Inc. and Affiliates' management is responsible for its compliance with those requirements.

COMHAR, Inc. and Affiliates has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with the requirements of the Commonwealth of Pennsylvania Department of Human Services. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings we performed are summarized as follows:

- a. We obtained facility attendance records for months September 2021, February 2022, and April 2022 to verify actual patient days for the period agreed to the Schedule.
- b. We determined whether therapeutic days per the Schedule for each of the selected months exceeded the allowable amount.
- c. We verified that the number of certified beds agreed to the Certificate of Need and recalculated the total certified bed days.
- d. We determined whether the occupancy rate per the Schedule equated or exceeded 98%.

As noted on the Schedule of Census Days, the program did not meet the 98% occupancy level.

COMHAR, Inc. and Affiliates have applied for and are awaiting a waiver of minimum occupancy for the program as stated in the ICF/ID regulation 6211.64 Medicaid cost report (MR-46).

We had no findings as to the procedures noted above.

We were engaged by COMHAR, Inc. and Affiliates, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of COMHAR, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Withum Smith+Brown, PC

March 31, 2023

COMHAR, Inc. and Affiliates
DHS Schedule of Census Days (ICF/ID Programs)
Year Ended June 30, 2022

	West Allegheny Avenue MA#10000040601114
Census days	
MA resident days	1,745
MA therapeutic days	-
Non-MA resident days	-
Total census days	1,745
Occupancy rate	68.30%

COMHAR, Inc. and Affiliates
DHS Schedule of Program Expenditures (MR-46, Schedule 1)
ICF/ID – West Allegheny Avenue, Philadelphia, Pennsylvania
Medical Assistance Number 1000004060114
June 30, 2021 to June 30, 2022

	Room and Board	Health Care	Ancillary Services	General Administration	Other	Depreciation and Capital Interest	Other
Personnel costs							
Wages and salaries	\$ -	\$ 506,240	\$ -	\$ -	\$ -	\$ -	\$ 506,240
Employee benefits	-	115,055	-	-	-	-	-
Miscellaneous	913	383,206	4,500	33,660	-	-	422,279
Total personnel costs	913	1,004,501	4,500	33,660	-	-	1,043,574
Operating costs							
Occupancy	97,664	-	-	-	14,436	-	112,100
Communications	9,372	-	-	-	-	-	9,372
Insurance	8,352	-	-	-	-	-	8,352
Office supplies	451	-	-	-	-	-	451
Service supplies	-	3,994	-	-	-	-	3,994
Food	19,809	-	-	-	-	-	19,809
Purchased services	12,211	-	-	-	-	-	12,211
Clothing	2,000	-	-	-	-	-	2,000
Transportation	-	6,143	-	-	-	-	6,143
Miscellaneous	1,802	1,824	-	-	89,715	-	93,341
Total operating expenses	151,661	11,961	-	-	104,151	-	267,773
Equipment and other fixed assets							
Purchase of assets (nondepreciable)	8,970	-	-	-	-	-	8,970
Repairs	35,463	-	-	-	-	-	35,463
Total equipment and other fixed assets	44,433	-	-	-	-	-	44,433
Depreciation and interest							
Depreciation	-	-	-	-	-	8,774	8,774
Capital interest	-	-	-	-	-	9,848	9,848
Total depreciation and interest	-	-	-	-	-	18,622	18,622
Apportioned costs	-	-	-	175,000	-	-	175,000
Total costs	197,007	1,016,462	4,500	208,660	104,151	18,622	1,549,402
Unallowable costs	(26,941)	-	-	(40,808)	-	(15,455)	(83,204)
Allowable costs	170,066	1,016,462	4,500	167,852	104,151	3,167	1,466,198
Less: Income and offsets to allowable costs	-	(15,150)	-	-	(5,317)	-	(20,467)
Less: Adjustments	-	-	-	-	-	-	-
Net allowable costs	\$ 170,066	\$ 1,001,312	\$ 4,500	\$ 167,852	\$ 98,834	\$ 3,167	\$ 1,445,731

COMHAR, Inc. and Affiliates
DHS Report of Revenue and Expenditures Contract MH 2017-604
June 30, 2021 to June 30, 2022

	LTSR Blue Mountain Drive Clients: 13	Specialized Housing Walker Road Clients: 5	Total Clients: 18
Personnel costs:			
Wages and salaries	\$ 950,565	\$ 276,685	\$ 1,227,250
Employee benefits	198,054	73,665	271,719
Miscellaneous personnel	47,114	20,190	67,304
Total personnel costs	1,195,733	370,540	1,566,273
Operating costs:			
Rent	64,694		64,694
Utilities	11,858	2,875	14,733
Insurance	11,876	6,885	18,761
Housekeeping	19,368	11,493	30,861
Communications	14,173	3,218	17,391
Supplies	34,852	8,180	43,032
Transportation	1,778	1,429	3,207
Miscellaneous	(37,010)	826	(36,184)
Total operating expenses	121,589	34,906	156,495
Equipment and other fixed assets:			
Other equipment and furnishings	5,563	548	6,111
Furniture and equipment repairs	11,122	8,164	19,286
Total equipment and other fixed assets	16,685	8,712	25,397
Administrative costs	182,964	50,968	233,932
Total expenses	1,516,971	465,126	1,982,097
Revenue:			
Client room and board	121,985	44,200	166,185
Magellan of Northampton County, PA	847,574	-	847,574
Northampton County, PA	574,412	432,176	1,006,588
Total revenue	1,543,971	476,376	2,020,347
Consumer days:			
Northampton County treatment days	379	-	379
Northampton Magellan treatment days	2,425	-	2,425
Northampton County room and board days	2,488	1,095	3,583

Mission Driven. People First.

COMHAR

— SINCE 1975 —

Employee Benefits Security Administration (EBSA)
Division of Technical Assistance and Inquiries
U.S. Department of Labor
200 Constitution Ave NW, Room N-1513
Washington, D.C. 20210

Subject: DFVCP Submission for Late Filing of Form 5500 Annual Report for 2022 and 2023

Dear Sir/Madam,

We are writing to formally notify the Department of Labor's Employee Benefits Security Administration (EBSA) of our participation in the Delinquent Filer Voluntary Compliance Program (DFVCP) for the late submission of our Form 5500 Annual Report for the 2022 and 2023 plan years.

COMHAR, Inc. is a non-profit behavioral health agency dedicated to serving low-income individuals facing severe mental and behavioral health challenges. Our organization's mission is to provide vital behavioral health services, promoting stability and support in the lives of those most in need in our community.

The delay in filing our Form 5500 reports for these years was unintentional and was due to significant challenges in securing the necessary audit review. Initially, our previous auditors, with whom we had a longstanding relationship, informed us late in the process that they could not proceed with the audit due to unforeseen staffing shortages. This required us to locate new auditors at short notice to complete the ERISA-required audit for our 403(b) plan.

When we engaged our current auditors, they initially understood that the ERISA audit would be conducted by our prior auditors. Once they accepted the responsibility, the audit engagement faced further delays due to staffing constraints both on their end and within our internal Fiscal department. These combined factors caused an unfortunate postponement in the completion of the 2022 and 2023 Form 5500 filings.

We take full responsibility for the late filing and have taken corrective actions to prevent recurrence. We are fully committed to compliance with DOL and ERISA requirements and will ensure timely filing moving forward. Our current Auditors will have the 2022 and 2023 audits finalized by December 15, 2024.

Thank you for your understanding of the unique challenges faced by non-profit organizations like ours and for your consideration of our DFVCP submission for these plan years. We appreciate the opportunity to rectify this matter through participation in the DFVCP program.

Please feel free to contact me directly at 215-778-0194 should you need any additional information or clarification regarding our situation.

Sincerely,

Tyrone A. Howell
Chief Financial Officer
Cell: 215-778-0194
tyrone.howell@comhar.org

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

COMHAR 403(B) RETIREMENT SAVINGS PLAN

EIN 23 7418921

PLAN NUMBER 002

PLAN YEAR 01/01/2022 TO 12/31/2022

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2010 R6 Fd	\$ 0.00	\$ 44,346.44
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2015 R6 Fd	\$ 0.00	\$ 28,258.75
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2020 R6 Fd	\$ 0.00	\$ 1,438,453.54
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2025 R6 Fd	\$ 0.00	\$ 1,245,805.31
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2030 R6 Fd	\$ 0.00	\$ 1,095,696.95
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2035 R6 Fd	\$ 0.00	\$ 1,328,328.36
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2040 R6 Fd	\$ 0.00	\$ 1,086,851.19
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2045 R6 Fd	\$ 0.00	\$ 767,164.12
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2050 R6 Fd	\$ 0.00	\$ 548,422.87
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2055 R6 Fd	\$ 0.00	\$ 236,270.66
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2060 R6 Fd	\$ 0.00	\$ 80,922.01
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2065 R6 Fd	\$ 0.00	\$ 16,497.20
*	Principal Life Insurance Company	Insurance Company General Prin Fixed Inc Guar Option	\$ 0.00	\$ 358,322.08
	Vanguard Group	Registered Investment Company Vanguard Balncd Index Admr'l Fd	\$ 0.00	\$ 236,063.21
	Vanguard Group	Registered Investment Company Vanguard Mid Cap Index Adm Fd	\$ 0.00	\$ 94,593.01

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

COMHAR 403(B) RETIREMENT SAVINGS PLAN

EIN 23 7418921
 PLAN NUMBER 002
 PLAN YEAR 01/01/2022 TO 12/31/2022

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