



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants



Financial Statements

For the Years Ended December 31, 2023 and 2022

SAN ANGELO HEALTH FOUNDATION

Financial Statements

For the Years Ended December 31, 2023 and 2022

Table of Contents

Financial Statements:

Independent Auditors' Report.....	3-4
Statements of Financial Position	5-6
Statements of Activities.....	7
Statements of Functional Expenses	8-9
Statements of Cash Flows.....	10
Notes to the Financial Statements.....	11-17

Supplemental Information:

Schedule of Investment Securities.....	19
Schedule of Cash Activity for Charitable Purposes	20



Board of Trustees
San Angelo Health Foundation
San Angelo, Texas

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of San Angelo Health Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation, as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Investment Securities and Schedule of Cash Activity for Charitable Purposes on pages 19 and 20 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation the financial statements as a whole.

San Angelo, Texas
March 15, 2024

Armstrong, Backus & Co., L.L.P.



SAN ANGELO HEALTH FOUNDATION

Statements of Financial Position

As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,087,615	\$ 97,191
Accrued Income	74,939	73,202
Prepaid Expenses	68,350	55,150
	<hr/>	<hr/>
Total Current Assets	\$ 1,230,904	\$ 225,543
	<hr/>	<hr/>
Investments:		
Investment Securities, at Market	\$ 52,703,253	\$ 47,875,005
	<hr/>	<hr/>
Total Investments	\$ 52,703,253	\$ 47,875,005
	<hr/>	<hr/>
Fixed Assets:		
Land	\$ 1,453,989	\$ 1,453,989
Building and Improvements	4,517,558	4,517,558
Furniture, Fixtures, and Equipment	301,651	282,005
	<hr/>	<hr/>
	\$ 6,273,198	\$ 6,253,552
Less: Accumulated Depreciation	(2,518,842)	(2,394,164)
	<hr/>	<hr/>
Net Fixed Assets	\$ 3,754,356	\$ 3,859,388
	<hr/>	<hr/>
TOTAL ASSETS	\$ 57,688,513	\$ 51,959,936
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The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statements of Financial Position

As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 115,431	\$ 118,349
Excise Tax Payable	112,230	90,698
Grants Payable	570,440	540,805
	<hr/>	<hr/>
Total Current Liabilities	\$ 798,101	\$ 749,852
	<hr/>	<hr/>
Long-Term Liabilities:		
Grants Payable	\$ -0-	\$ 16,920
	<hr/>	<hr/>
Total Long-Term Liabilities	\$ -0-	\$ 16,920
	<hr/>	<hr/>
Total Liabilities	\$ 798,101	\$ 766,772
	<hr/>	<hr/>
Net Assets:		
Without Donor Restrictions	\$ 56,890,412	\$ 51,193,164
	<hr/>	<hr/>
Total Net Assets	\$ 56,890,412	\$ 51,193,164
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 57,688,513	\$ 51,959,936
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The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statements of Activities

For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues and Gains (Losses):		
Dividend Income	\$ 645,807	\$ 847,477
Interest Income	282,804	164,689
Lease Bonus Income	991,333	-0-
Other Income	2,385	38,659
Royalty Income	20,041	54,311
Net Investment Income (Loss)	6,556,570	(10,195,533)
 Total Revenues and Gains (Losses)	 \$ 8,498,940	 (\$ 9,090,397)
 Expenses:		
Investment	\$ 81,021	\$ 70,218
Charitable	2,559,997	3,153,275
Management and General	160,674	202,488
 Total Functional Expenses	 \$ 2,801,692	 \$ 3,425,981
 Total Expenses	 \$ 2,801,692	 \$ 3,425,981
 Change in Net Assets	 \$ 5,697,248	 (\$ 12,516,378)
 Net Assets, Beginning of Year	 51,193,164	 63,709,542
 Net Assets, End of Year	 \$ 56,890,412	 \$ 51,193,164

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statement of Functional Expenses

For the Year Ended December 31, 2023

	<u>Investment</u>	<u>Charitable</u>	<u>Management and General</u>	<u>Total Expenses</u>
Christmas Lights	\$ -0-	\$ 46,990	\$ -0-	\$ 46,990
Depreciation	8,727	-0-	115,951	124,678
Disbursements for Charitable Purposes	-0-	2,173,168	-0-	2,173,168
Dues and Subscriptions	65	863	-0-	928
Education	1,756	23,335	-0-	25,091
Excise Tax	-0-	-0-	44,723	44,723
Insurance	16,621	16,621	-0-	33,242
Legal, Audit, and Accounting Fees	21,935	21,935	-0-	43,870
Office Supplies, Postage, and Printing	165	8,077	-0-	8,242
Other Expenses	1,699	22,570	-0-	24,269
Property Taxes	4,794	-0-	-0-	4,794
Repairs and Maintenance	6,748	-0-	-0-	6,748
Salaries, Payroll Taxes, and Benefits	16,063	213,408	-0-	229,471
Utilities	2,448	33,030	-0-	35,478
	<u>\$ 81,021</u>	<u>\$ 2,559,997</u>	<u>\$ 160,674</u>	<u>\$ 2,801,692</u>

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statement of Functional Expenses

For the Year Ended December 31, 2022

	<u>Investment</u>	<u>Charitable</u>	<u>Management and General</u>	<u>Total Expenses</u>
Depreciation	\$ 8,414	\$ -0-	\$ 111,790	\$ 120,204
Disbursements for Charitable Purposes	-0-	2,842,708	-0-	2,842,708
Dues and Subscriptions	114	1,508	-0-	1,622
Education	1,322	17,557	-0-	18,879
Excise Tax	-0-	-0-	90,698	90,698
Insurance	14,396	14,396	-0-	28,792
Legal, Audit, and Accounting Fees	20,350	20,350	-0-	40,700
Office Supplies, Postage, and Printing	150	7,356	-0-	7,506
Other Expenses	820	10,899	-0-	11,719
Property Taxes	2,558	-0-	-0-	2,558
Repairs and Maintenance	4,141	-0-	-0-	4,141
Salaries, Payroll Taxes, and Benefits	16,054	213,282	-0-	229,336
Utilities	1,899	25,219	-0-	27,118
	<u>\$ 70,218</u>	<u>\$ 3,153,275</u>	<u>\$ 202,488</u>	<u>\$ 3,425,981</u>

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Cash Received from Contributions and Fundraising	\$ 2,385	\$ 38,659
Cash Received from Investments	18,273,057	1,054,003
Cash Received for Interest	282,804	164,689
Cash Paid for Charitable Purposes	(2,160,453)	(3,585,122)
Cash Paid for Salaries and Benefits	(229,471)	(229,335)
Cash Paid for Other Operating Expenses	(219,444)	(64,191)
Cash Paid for Taxes	(49,517)	(93,256)
Net Cash Provided (Used) by Operating Activities	\$ 15,899,361	(\$ 2,714,553)
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(\$ 19,646)	(\$ 288,966)
Purchase of Investments	(17,900,031)	(17,885,320)
Proceeds from Sale of Investments	3,010,740	20,709,518
Net Cash Provided (Used) by Investing Activities	(\$ 14,908,937)	\$ 2,535,232
Net Increase (Decrease) in Cash	\$ 990,424	(\$ 179,321)
Cash, Beginning of the Year	97,191	276,512
Cash, End of Year	\$ 1,087,615	\$ 97,191
Reconciliation of Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities		
Increase (Decrease) in Net Assets	\$ 5,697,248	(\$ 12,516,378)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	\$ 124,678	\$ 120,204
Unrealized (Gain) Loss on Long-Term Investments	10,059,306	10,063,848
Changes in Assets and Liabilities:		
(Increase) Decrease in Accrued Income	-0-	288,442
(Increase) Decrease in Prepaid Expenses	(13,200)	(54,698)
Increase (Decrease) in Accounts Payable	(2,918)	5,745
Increase (Decrease) in Excise Tax Payable	21,532	120,698
Increase (Decrease) in Grants Payable	12,715	(742,414)
Total Adjustments	\$ 10,202,113	\$ 9,801,825
Net Cash Provided (Used) by Operating Activities	\$ 15,899,361	(\$ 2,714,553)

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the San Angelo Health Foundation (the Foundation) have been prepared on the accrual basis of accounting. The significant accounting policies followed by the Foundation are described below.

Organization – The Foundation is a nonprofit corporation qualified as a private foundation as defined in section 509(a) of the Internal Revenue Code. The Foundation’s mission is to enhance the quality of life for the people of the San Angelo, Texas area. The Foundation’s activities include, but are not limited to, the operation of programs to provide charitable assistance, training, and educational support for the promotion of general physical and mental health, principally for the benefit of the general population of the San Angelo, Texas area.

Tax Status – The Foundation has been determined by the Internal Revenue Service to be a private foundation under Section 509(a) of the Internal Revenue Code.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments – Investment purchases are recorded at cost, or if donated, at the fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment return/(loss) is reported in the Statements of Activities and consists of realized and unrealized capital gains and losses, less external and direct internal investment expenses. Foundation investments are classified as non-current. Marketable debt and equity securities are revalued at the end of each year to reflect the current market value. The cumulative total of this revaluation is reported in the Statements of Activities as unrealized gain (loss) on investments.

Fixed Assets – Fixed assets are recorded at their cost. Depreciation of furniture, fixtures, and equipment is provided using the straight-line method over the estimated useful lives of the assets, which is generally five years. Building and improvements are recorded at cost and are being depreciated over periods ranging from 10 to 39.5 years on the straight-line basis.

Donations of fixed assets are recorded as support at their estimated fair value as of the date of donation. The estimated fair value of donated fixed assets represents the cost basis of the donated assets that is subject to depreciation. Maintenance and repair expenditures are expensed as incurred.

Promises to Give – Charitable expenses are recognized when the Foundation makes a promise to give to the donee that is, in substance, without donor restriction. Promises to give that are subject to certain future conditions or actions, on the part of the donee, are reported as contributions expense in the fiscal year in which the conditions are met. Restrictions on the Foundation’s with donor restriction net assets may be met when the Foundation makes grants for certain qualifying purposes. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets.

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

Net Assets – The Foundation has adopted the Financial Accounting Standards Board (FASB) Codification 958, Not-for-Profit Entities (formerly Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Foundations*). FASB 958 requires the Foundation to classify its net assets based on the existence or absence of donor-imposed restrictions. These classifications of net assets are described as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Fair Value of Financial Instruments – The fair value of investments is based on quoted market prices, if available, or estimated using quoted prices for similar securities.

The fair value of future commitments is based on the present value of the commitment from the grant date. Generally, the time delay between the grant date and the date of funding is relatively short, and accordingly, a present value discount of the commitment amount is not material to the financial statements. The carrying values for cash equivalents, accounts payable, and accrued expenses approximate fair values.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue and Revenue Recognition – The Foundation has adopted Accounting Standards Update (ASU) No. 2014-19, *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting.

Analysis of various provisions of the standard resulted in no significant changes in the way the Foundation recognized revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis.

The Foundation recognized 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, 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.

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

NOTE 2: INVESTMENT SECURITIES

Fair value and cost of investment securities at December 31, 2023 and 2022 are as follows:

	2023		2022	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Institutional Funds	<u>\$ 52,703,253</u>	<u>\$ 51,411,640</u>	<u>\$ 47,875,005</u>	<u>\$ 54,218,217</u>
Total Investment Securities	<u>\$ 52,703,253</u>	<u>\$ 51,411,640</u>	<u>\$ 47,875,005</u>	<u>\$ 54,218,217</u>

NOTE 3: LIQUIDITY AND AVAILABILITY

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

	2023	2022
Cash and Cash Equivalents	<u>\$ 1,087,381</u>	<u>\$ 97,191</u>
	<u>\$ 1,087,381</u>	<u>\$ 97,191</u>

NOTE 4: FEDERAL EXCISE AND INCOME TAXES

The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. In accordance with provisions of the Tax Reform Act of 1969 (the Act), the Foundation is subject to an excise tax on net investment income, including realized gains as defined in the Act. The excise tax expense for the years ended December 31, 2023 and 2022 totaled \$44,723 and \$90,698, respectively.

The Foundation is required to make qualifying distributions (as defined in the Internal Revenue Code of 1986) (IRC) equal to its minimum investment return, as defined in the IRC. Management believes that these distribution requirements will be met in the coming year.

In accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*, management has evaluated the Foundation's tax positions and concluded that the Foundation has taken no uncertain tax positions that required adjustment to the financial statements to comply with the provisions of this guidance. With a few exceptions, the Foundation is no longer subject to examination by the Internal Revenue Service for years before 2020.

NOTE 5: COMMITMENTS

As of December 31, 2023, the Foundation had outstanding conditional commitments to various qualified charitable organizations not required to be paid by the Foundation until specific conditions are fulfilled by the grantees and therefore are not accrued in the accompanying financial statements. Unconditional commitments are those that have been approved, but not paid, prior to December 31, 2023 and do not require the grantee to meet any additional stipulations set forth by the Foundation.

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

The commitments outstanding at December 31, 2023 are as follows:

Organization	Conditional	Unconditional
Concho Valley Home for Girls	\$ -0-	\$ 55,000
Galilee CDC	150,000	-0-
ICD	150,000	-0-
La Esperanza Clinic	-0-	250,000
Lake Ivie Volunteer Fire Department	-0-	22,000
MHMR of the Concho Valley	100,000	-0-
Miles Empowerment Association	-0-	20,000
San Angelo Area Foundation	-0-	100,000
San Angelo Museum of Fine Arts	200,000	-0-
Schleicher County Public Library	100,000	-0-
West Texas Counseling & Guidance	-0-	92,240
Young Men's Christian Association	-0-	31,200
Total Commitments	\$ 700,000	\$ 570,440

The commitments outstanding at December 31, 2022 are as follows:

Organization	Conditional	Unconditional
Ballet San Angelo	\$ -0-	\$ 11,788
Howard College	-0-	37,497
Junior League of San Angelo	-0-	15,600
La Esperanza Clinic	500,000	-0-
Playland Communities Foundation	-0-	100,000
San Angelo Area Foundation	-0-	225,000
San Angelo Museum of Fine Arts	400,000	-0-
SUR, Inc.	-0-	49,000
Sutton County Public Library	25,000	-0-
Water Valley Volunteer Fire Department, Inc.	-0-	85,000
West Texas Rehabilitation Center	500,000	-0-
WHIT Program	-0-	33,840
Total Commitments	\$ 1,425,000	\$ 557,725

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

The liability for commitments payable and maturities thereof at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Total Commitments	\$ 570,440	\$ 557,725
Amounts Due In:		
Less than One Year	\$ 570,440	\$ 540,805
One to Five Years	-0-	16,920
More than Five Years	-0-	-0-
Total Commitments	<u>\$ 570,440</u>	<u>\$ 557,725</u>

NOTE 6: LEASE AGREEMENTS

In accordance with the terms of the Agreement for Construction and Operation of a Multipurpose Building between the City of San Angelo, San Angelo Chamber of Commerce, and the Foundation; the Foundation has entered into a lease agreement, as a lessor with the San Angelo Chamber of Commerce, for approximately 6,792 square feet of space in the Visitor's Center building. The term of the lease is twenty-five years, and it provides that the Chamber is not obligated for any rent for the leased premises. The lease agreement specifies that the Chamber initially will pay \$1,000 per month into a fund to be used for maintenance and/or improvements to the leased premises. Beginning in January 2009, the Chamber's contribution to the maintenance fund was reduced to \$500 per month for the remainder of the lease. During 2023 and 2022, the Chamber and the Foundation contributed \$1,000 per month into the maintenance fund. Included in accounts payable and accrued expenses in the accompanying Statements of Financial Position is \$39,900 and \$46,663, respectively, due to the Chamber of Commerce for their portion of the maintenance funds held in cash at December 31, 2023 and 2022. The lease standard under ASC 842 does not apply to this lease.

During 2023, the Foundation entered into a lease agreement, as the lessor, to allow for the production of oil and gas on lands situated in Irion and Schleicher Counties for the sum of \$10 and lease bonuses and royalties to be paid to the lessor. The lease standard under ASC 842 does not apply to this lease.

NOTE 7: PENSION PLAN

The Foundation sponsors a defined contribution pension plan covering all its employees. Contributions to the plan are at the discretion of the Board of Trustees. During 2023 and 2022, contributions to the plan totaled \$14,240 and \$13,998, respectively.

NOTE 8: CONCENTRATION OF CREDIT RISK

The Foundation maintains interest-bearing cash accounts at a financial institution that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

December 31, 2023 and 2022, the cash accounts held by the Foundation did not exceed the FDIC coverage.

NOTE 9: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Codification 820, Fair Value Measurements and Disclosures (formerly SFAS No. 157, *Fair Value Measurements*), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable or significant and insignificant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Certificate of Deposits, Mutual Funds, Money Market Funds, and Exchange Traded Funds: Valued at net asset value ("NAV") of shares held by the Foundation at year end.

Common Stocks, International Bonds, and U.S. Government Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2023 and 2022:

Assets at Fair Value as of December 31, 2023				
	Level 1	Level 2	Level 3	Total
Institutional Funds	\$ 52,703,253	\$ -0-	\$ -0-	\$ 52,703,253
	<u>\$ 52,703,253</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 52,703,253</u>
Assets at Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Institutional Funds	\$ 47,875,005	\$ -0-	\$ -0-	\$ 47,875,005
	<u>\$ 47,875,005</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 47,875,005</u>

NOTE 10: EVALUATION OF SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through March 15, 2024, the date which the financial statements were available to be issued.

SAN ANGELO HEALTH FOUNDATION

Schedule of Investment Securities

For the Year Ended December 31, 2023

<u>Description</u>	<u>Approximate Market Value at 12/31/23</u>	<u>Cost</u>	<u>Unrealized Gain / (Loss)</u>
<u>INSTITUTIONAL FUNDS</u>			
Money Market	\$ 483,312	\$ 483,312	\$ -0-
Common Trust Fund - Equity	31,368,485	29,505,620	1,862,865
Common Trust Fund - Fixed Income	11,094,518	11,598,832	(504,314)
Common Trust Fund - Specialty	9,756,938	9,823,876	(66,938)
Total Investments	\$ 52,703,253	\$ 51,411,640	\$ 1,291,613

See Independent Auditors' Report.

SAN ANGELO HEALTH FOUNDATION

Schedule of Cash Activity for Charitable Purposes

For the Year Ended December 31, 2023

Charity	Unrestricted
Alcohol and Drug Abuse Council	\$ 1,000
Ballet San Angelo	11,788
Boys & Girls Club	1,000
Children's Advocacy Center	1,500
Concho Valley Community Action Agency	70,000
Concho Valley Home for Girls	55,200
Early Redwine Childcare Center	1,000
Galilee Community Development Corporation	150,000
House of Faith	2,000
Howard College	37,497
ICD Family Shelter	1,000
Junction CASP	28,000
Junior League of San Angelo	15,600
La Clinica Esperanza	250,000
New Horizons	15,000
Operation Blue Santa	1,000
Playland Communities Foundation	100,000
San Angelo Area Foundation	290,500
San Angelo Diabetes Coalition	143,230
San Angelo Early Childhood Center	1,000
San Angelo Museum of Fine Arts	200,000
Sight Savers America	12,160
State School Volunteer Services Council	2,500
Sur, Inc.	47,225
Sutton County Public Library	25,000
Texas Ramp Project	30,000
United Way of the Concho Valley	20,000
Water Valley Volunteer Fire Department, Inc.	85,000
West Texas Boys Ranch	1,000
West Texas Counseling and Guidance	31,997
West Texas Rehabilitation Center	500,000
WHIT Program	27,072
	<u>\$ 2,158,269</u>

See Independent Auditors' Report.

