Health First Foundation – Northern Arizona
Financial Statements
Years Ended June 30, 2025 and 2024

HICHENS ACCOUNTING
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Health First Foundation – Northern Arizona

We have reviewed the accompanying financial statements of Health First Foundation – Northern Arizona, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to the organization's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Health First Foundation – Northern Arizona and to meet our other ethical responsibilities, in accordance with the relevant ethical related our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2024 Financial Statements

The financial statements of Health First Foundation – Northern Arizona as of June 30, 2024, were reviewed by other accountants whose report dated November 7, 2024, stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Hichens Accounting CPA

Hichens Accounting
Certified Public Accountant
Phoenix, Arizona
January 8, 2026

Health First Foundation - Northern Arizona
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 2,162,599	$ 158,911
Note Receivable	-	1,999,938
Investments	16,912,012	15,925,612
Land Held for Investment	610,000	610,000
Prepaid Expenses and Other Assets	5,859	16,926
Other Receivable	7,404	-
Operating Lease Right of Use Asset	-	6,588
Total Assets	$ 19,697,874	$ 18,717,975
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	$ 107,447	$ 41,980
Accrued Expenses	8,647	38,000
Grants Payable	447,000	-
Operating Lease Liability	-	6,588
Total Liabilities	563,094	86,568
Net Assets Without Donor Restrictions		
Board-Designated	30,100	30,100
Undesignated	8,990,259	8,979,161
	9,020,359	9,009,261
Net Assets With Donor Restrictions	10,114,421	9,622,146
Total Net Assets	19,134,780	18,631,407
Total Liabilities and Net Assets	19,697,874	18,717,975

Health First Foundation - Northern Arizona
Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORTS, AND GAINS			
Contributions	$ 21,481	$ -	$ 21,481
Net Investment Return	780,843	1,084,079	1,864,922
Other Income and Support	36,964	-	36,964
Net Assets Released from Restrictions	591,804	(591,804)	-
Total Revenue, Support, and Gains	1,431,092	492,275	1,923,367
EXPENSES			
Program	933,889	-	933,889
Management and General	430,702	-	430,702
Fundraising	55,403	-	55,403
Total Expenses	1,419,994	-	1,419,994
Change in Net Assets	11,098	492,275	503,373
Net Assets Without Donor Restriction, Beginning of Year	9,009,261	9,622,146	18,631,407
Net Assets Without Donor Restriction, End of Year	$ 9,020,359	$ 10,114,421	$ 19,134,780

Health First Foundation - Northern Arizona
Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORTS, AND GAINS			
Contributions	$ 1,853	$ 13,396	$ 15,249
Net Investment Return	707,161	963,885	1,671,046
Other Income and Support	108,000	-	108,000
Net Assets Released from Restrictions	937,622	(937,622)	-
Total Revenue, Support, and Gains	1,754,636	39,659	1,794,295
EXPENSES			
Program	826,642	-	826,642
Management and General	611,039	-	611,039
Fundraising	96,780	-	96,780
Total Expenses	1,534,461	-	1,534,461
Change in Net Assets	220,175	39,659	259,834
Net Assets Without Donor Restriction, Beginning of Year	8,789,086	9,582,487	18,371,573
Net Assets Without Donor Restriction, End of Year	$ 9,009,261	$ 9,622,146	$ 18,631,407

Health First Foundation - Northern Arizona
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services	Management & General	Fundraising	Total
Expenses				
Grants and Other Assistance	$ 817,125	$ -	$ -	$ 817,125
Salaries and Benefits	81,157	275,313	27,616	384,086
Occupancy	4,501	5,425	2,251	12,177
Professional Services	21,687	73,569	7,380	102,636
Information Technologies	7,625	15,455	13,005	36,085
Travel and Development	16	533	-	549
Other	1,778	60,407	5,151	67,336
Total Expenses	$ 933,889	$ 430,702	$ 55,403	$ 1,419,994

Health First Foundation - Northern Arizona
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services	Management & General	Fundraising	Total
Expenses				
Grants and Other Assistance	$ 636,341	$ -	$ -	$ 636,341
Salaries and Benefits	107,357	364,215	36,559	508,131
Event Expense	-	-	1,946	1,946
Occupancy	27,938	33,673	13,969	75,580
Professional Services	23,080	78,299	7,860	109,239
Printing	16,974	16,974	8,487	42,435
Information Technologies	12,654	25,650	21,589	59,893
Travel and Development	104	3,412	-	3,516
Depreciation	-	14,174	-	14,174
Other	2,194	74,642	6,370	83,206
Total Expenses	$ 826,642	$ 611,039	$ 96,780	$ 1,534,461

Health First Foundation - Northern Arizona
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 503,373	$ 259,834
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) By Operating Activities		
Realized and Unrealized Gain on Investments	(1,198,143)	(1,235,605)
Reinvested Dividends and Interest	(608,672)	-
Loss on Disposal of Property and Equipment	-	1,645
Depreciation	-	14,174
Changes in Operating Assets and Liabilities		
Promises to Give	-	3,000
Other Receivable	(7,404)	-
Prepaid Expenses and Other Assets	11,067	1,434
Accounts Payable	65,467	(1,385,332)
Accrued Expenses	(29,353)	(37,261)
Grants Payable	447,000	(92,905)
Net Cash Provided (Used) by Operating Activities	(816,665)	(2,471,016)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds From Sales of Investments	3,344,415	2,601,996
Principal Payments on Note Receivable	1,999,938	-
Purchases of Investments	(2,524,000)	(441,677)
Net Cash Provided (Used) by Investing Activities	2,820,353	2,160,319
Net Increase/(Decrease) in Cash and Cash Equivalents	2,003,688	(310,697)
Cash and Cash Equivalents, Beginning of Year	158,911	469,608
Cash and Cash Equivalents, End of Year	$ 2,162,599	$ 158,911

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING PRINCIPLES

Organization

Health First Foundation - Northern Arizona (the Foundation) is an Arizona nonprofit organization organized and operated exclusively for charitable, religious, scientific, literary, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The mission of the Foundation is to advance community health and well-being through leadership, partnerships, and innovation.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to the permanent endowment, or other long-term purposes of the Foundation are excluded from this definition.

Promises to Give

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. There was no allowance at June 30, 2025 and 2024.

Loan Receivable

The Foundation had a loan receivable from an unrelated party secured by a deed of trust. The loan is reported at the original issue amount adjusted for the allowance for credit losses. Interest income is accrued on the unpaid principal balance according to the terms of the loan. The loan bears interest at 5% and requires interest only payments until maturity in October 2024. The loan was fully paid back in fiscal year 2025.

The Foundation has evaluated the collectability of the loan based upon historical experience and the specific circumstances of individual notes, with an allowance for uncollectible amounts being provided if necessary. As of June 30, 2025 and 2024, no allowance for credit losses was deemed necessary.

Office Equipment

Office equipment additions over $5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Office Equipment (Continued)

The carrying values of office equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2025 and 2024.

Investments

Investment purchases are recorded at cost, or if donated, at 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 interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve (Note 7).

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Foundation reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Revenue and Revenue Recognition

Revenue from investment activities, management fees, other fees and charges, and noncontribution related revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or 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 substantially met.

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

In-Kind Contributions

In-kind contributions include donated facilities, donated supplies, and other in-kind contributions, which are recorded at the respective fair values of the goods or services at the date of donation. The Foundation does not sell donated gifts-in-kind. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended June 30, 2025 and 2024.

Advertising Costs

Advertising costs are expensed as incurred and were $16,792 and $6,706 during the years ended June 30, 2025 and 2024, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, which is allocated on a square footage basis, as well as salaries and benefits, travel and development, professional services, information technology, and other, which are allocated based on estimates of time and effort.

Income Taxes

The Foundation is organized as an Arizona nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualifies for the charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Foundation is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Foundation has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

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

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed to be creditworthy. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with promises to give is considered to be limited due to high historical collection rates. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

Subsequent Events

The Foundation has evaluated subsequent events through January 8, 2026, the date the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets at June 30, 2025 and 2024 available to meet cash needs for general expenditures within one year of the statement of financial position date are comprised of the following, which are free of internal and external restrictions:

	2025	2024
Cash and cash equivalents	$2,162,599	$158,911
	$2,162,599	$158,911

The Foundation considers assets whose use is not limited to be available within one year for general expenditures. An exception is the Foundation's Board Designated assets of $30,100 and $30,100 at June 30, 2025 and 2024, respectively. These assets could be liquidated and funds received within one year. However, these assets have historically remained invested in the Foundation’s investment portfolio. There are no immediate plans to liquidate any of these funds for general expenditures.

On a regular basis, the Foundation calculates the amount of its unrestricted cash and investments that are available within certain time frames. As of June 30, 2025 and 2024, all of the Foundation's unrestricted cash and cash equivalents were available in two business days or less.

NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Foundation reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset.

NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

Mutual funds are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis at June 30, 2025:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash (at Cost)	$ 53	$ -	$ -	$ -
Mutual Funds	16,911,959	16,911,959		
Total Investments	$ 16,912,012	$ 16,911,959	$ -	$ -

The following table presents assets measured at fair value on a recurring basis at June 30, 2024:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash (at Cost)	$ 50,328	$ -	$ -	$ -
Mutual Funds	15,875,284	15,875,284		
Total Investments	$ 15,925,612	$ 15,875,284	$ -	$ -

NOTE 4 – NET INVESTMENT RETURN

Net investment return consists of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and Dividends	$ 707,581	$ 456,063
Net Realized and Unrealized Gains (Losses)	1,198,143	1,235,605
Less Investment Management and Custodial Fees	(40,802)	(20,622)
	$ 1,864,922	$ 1,671,046

NOTE 5 - ENDOWMENTS

The Foundation's endowment (the Endowment) consists of one fund established by donors to provide annual funding for specific activities. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Arizona Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the endowment funds with donor restriction, unless there are explicit donor stipulations to the contrary. At June 30, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, net assets with donor restrictions are classified at (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment (including promises to give net of discount and allowance for doubtful accounts), and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the endowment with donor restriction is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds with donor restrictions:

- The duration and preservation of the fund
- The purposes of the organization and the endowment fund with donor restriction
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

The Foundation had the following endowment net asset composition by type of fund as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment			
Original Donor-Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	$ -	$ 688	$ 688
	-	$ 688	$ 688

NOTE 5 – ENDOWMENTS (CONTINUED)

The Foundation had the following endowment net asset composition by type of fund as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment			
Original Donor-Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	$ -	$ 23,750	$ 23,750
	-	$ 23,750	$ 23,750

From time to time, the fair value of assets associated with individual endowment funds with donor restrictions may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration (underwater endowments). Deficiencies of this nature are reported in net assets with donor restriction. As of June 30, 2025 and 2024, the Foundation had no funds with a deficiency.

Investment and Spending Policies

The Foundation has adopted investment and spending policies for the pooled investment portfolio fund, including the endowment fund, that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the pooled investment portfolio assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of fund assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the pooled investment portfolio investments. The target minimum rate of return is the Consumer Price Index plus 5% on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are investment to seek growth of principal over time.

The Foundation uses an endowment spending-rate formula to determine the maximum amount to spend from the endowment each year. The rate, determined and adjusted from time to time by the Board of Directors, is applied to the average fair value of the endowment investments for the prior 12 quarters at June 30 of each year to determine the spending amount for the upcoming year. During fiscal years 2025 and 2024, the spending rate maximum was 7.0%. In establishing this policy, the Board of Directors considered the long-term expected return on the endowment and set the rate with the objective of maintaining the purchasing power of the endowment over time.

NOTE 5 – ENDOWMENTS (CONTINUED)

All net assets with donor restricted contributions are in an investment pool. Appreciation, depreciation, income, and expense relative to the pooled endowment investments are allocated to the endowment based upon the ratio of the endowment's investment balance to the total investment pool and are shown as a change in net assets with donor restrictions.

Changes in endowment net assets for the year ended June 30, 2025 are as follows:

	With Donor Restrictions
Endowment Net Assets, Beginning of Year	$ 23,750
Investment Return, Net	1,038
Appropriation of Endowment Assets	
Pursuant to Spending-Rate Policy	(24,100)
Endowment Net Assets, End of Year	$ 688

Changes in endowment net assets for the year ended June 30, 2024 are as follows:

	With Donor Restrictions
Endowment Net Assets, Beginning of Year	$ 23,750
Investment Return, Net	-
Appropriation of Endowment Assets	
Pursuant to Spending-Rate Policy	-
Endowment Net Assets, End of Year	$ 23,750

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

	2025	2024
Subject to expenditure for specified purpose		
Clinical services	$ 15,434	$ 31,024
Patient and family services and colleague support	89,500	201,000
Research and education	8,647	122,311
Community health needs	10,000,152	9,244,061
	10,113,733	9,598,396
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation support of quality healthcare and wellbeing	688	23,750
	$10,114,421	$ 9,622,146

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Satisfaction of Purpose Restrictions		
Clinical Services	$ 15,590	$ 44,238
Patient and Family Services and Colleague Support	111,500	103,398
Research and Education	113,664	141,608
Community Health Needs	327,988	539,464
Restricted-Purpose Spending-Rate Distributions and Appropriations		
Administrative Fees	23,062	108,914
	$ 591,804	$ 937,622

NOTE 7 – BOARD DESIGNATED NET ASSETS

As of June 30, 2025 and 2024, the Foundation's Board has designated unrestricted net assets for the following:

	2025	2024
Special Events	$ 25,438	$ 25,438
Community Health	4,662	4,662
	$ 30,100	$ 30,100

NOTE 8 – DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

The Foundation has a defined contribution plan covering substantially all employees. The plan was adopted during the year ended June 30, 2021. The plan provides that employees who have attained the age 21 may voluntarily contribute a percentage of their earnings to the plan up to the maximum allowed per the Internal Revenue Code. Employer matching contributions are 100% of a participant's elective deferral up to 4% of compensation. The employer may also contribute discretionary contributions as approved by the Board of Directors. Total expense related to the plan for the years ended June 30, 2025 and 2024 was $7,269 and $12,291, respectively.

NOTE 9 - LEASES

The Foundation leases office space and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2025. The Foundation included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. Also, the agreements generally require the Foundation to pay real estate taxes, insurance, and repairs. During the year ended June 30, 2024, the Foundation terminated two of their leases and removed the corresponding right-of-use asset and operating lease liability. During the year ended June 30, 2025, the Foundation's office space lease ended and was not renewed.

The Foundation elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate.

The Foundation has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The Foundation elected the practical expedient to not separate lease and non-lease components for real estate and equipment leases.

Total operating lease costs for the year ended June 30, 2024 $78,076.

The following table summarizes the supplemental cash flow information for the year ended June 30, 2024:

	2024
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating Cash Flows from Operating Leases	$ 69,436
Right-of-Use Assets Obtained in Exchange for Lease Liabilities	
Operating Leases	$ 59,154

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

	2024
Weighted-Average Remaining Lease Term	
Operating Leases	0.33 Years
Weighted-Average Discount Rate	
Operating Leases	2.85%

NOTE 10 – Other Receivable

During the fiscal year 2025, an employee was overpaid inadvertently. As of June 30, 2025, $7,403.88 was overpaid. The amount owed back to the Foundation is being paid back through payroll each pay-period.