

St. Vincent Hospital Foundation

FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
St. Vincent Hospital Foundation

Opinion

We have audited the accompanying financial statements of St. Vincent Hospital Foundation (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 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 auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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

Report on Summarized Comparative Information

We have previously audited the Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PULAKOS CPAs, PC

March 27, 2023

Pulakos CPAs, PC

St. Vincent Hospital Foundation
STATEMENTS OF FINANCIAL POSITION
June 30, 2022
(With Comparative Totals for June 30, 2021)

<u>Assets</u>	2022	2021
Current assets		
Cash and cash equivalents	\$ 293,810	\$ 188,788
Accounts receivable	1,747	41,646
Investments	8,154,857	8,030,594
Prepaid expenses	56,330	27,712
Inventory	41,480	-
Current portion of pledges receivable	160,135	366,802
Current portion of loans receivable	1,414	12,816
Total current assets	8,709,773	8,668,358
Noncurrent assets		
Noncurrent portion of pledges receivable, net	116,865	294,531
Noncurrent portion of loans receivable, net	39,341	98,214
Life pledges receivable, net	562,003	562,003
Total noncurrent assets	718,209	954,748
Total assets	\$ 9,427,982	\$ 9,623,106
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 283,468	\$ 276,114
Deferred revenue	309,025	525
Current portion of charitable gift annuity liability	6,600	6,600
Total current liabilities	599,093	283,239
Long term liabilities		
Noncurrent portion of charitable gift annuity liability	20,219	26,384
Total liabilities	619,312	309,623
Net assets		
Without donor restrictions	5,984,010	6,571,135
With donor restrictions		
Time or purpose restricted	2,824,660	2,742,348
Total net assets	8,808,670	9,313,483
Total liabilities and net assets	\$ 9,427,982	\$ 9,623,106

St. Vincent Hospital Foundation

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2022

(With Comparative Totals for Year Ended June 30, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
Revenue and support				
Contributions and grants	\$ 1,344,924	\$ 1,102,707	\$ 2,447,631	\$ 1,487,575
Gift shop sales	89,451	-	89,451	-
Realized and unrealized investment (losses) gains	(1,407,327)	-	(1,407,327)	1,397,145
Interest and dividend income, net of fees	144,756	-	144,756	141,571
Net assets released from restriction	<u>1,020,395</u>	<u>(1,020,395)</u>	<u>-</u>	<u>-</u>
 Total revenue and support	 1,192,199	 82,312	 1,274,511	 3,026,291
Expenses				
Program	911,060	-	911,060	1,195,826
Management	652,391	-	652,391	160,224
Fundraising	<u>215,873</u>	<u>-</u>	<u>215,873</u>	<u>211,262</u>
 Total expenses	 <u>1,779,324</u>	 <u>-</u>	 <u>1,779,324</u>	 <u>1,567,312</u>
 Change in net assets	 (587,125)	 82,312	 (504,813)	 1,458,979
 Net assets, beginning of year	 <u>6,571,135</u>	 <u>2,742,348</u>	 <u>9,313,483</u>	 <u>7,854,504</u>
 Net assets, end of year	 <u>\$ 5,984,010</u>	 <u>\$ 2,824,660</u>	 <u>\$ 8,808,670</u>	 <u>\$ 9,313,483</u>

St. Vincent Hospital Foundation

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022
(With Comparative Totals for Year Ended June 30, 2021)

	2022			Total Expenses	2021 Total Expenses
	Program	Management and General	Fundraising		
Distributions to hospital	\$ 494,579	\$ -	\$ -	\$ 494,579	\$ 848,602
Salaries and benefits (including in-kind)	263,753	131,876	131,876	527,505	414,337
Bad debt expense	-	456,900	-	456,900	53,550
Software	76,663	-	-	76,663	50,128
Professional and legal fees	-	57,820	-	57,820	50,499
Development	-	-	56,027	56,027	9,196
Costs of goods sold - gift shop	48,903	-	-	48,903	-
Other miscellaneous	20,403	2,319	6,853	29,575	17,903
Events (including in-kind)	-	-	17,738	17,738	74,073
Office and facility	5,873	3,033	2,936	11,842	45,524
Travel and meetings	886	443	443	1,772	3,500
	\$ 911,060	\$ 652,391	\$ 215,873	\$ 1,779,324	\$ 1,567,312

St. Vincent Hospital Foundation

STATEMENTS OF CASH FLOWS

Year Ended June 30, 2022
(With Comparative Totals for Year Ended June 30, 2021)

	2022	2021
Operating activities		
Change in net assets	\$ (504,813)	\$ 1,458,979
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gain (loss) on investments	1,407,327	(1,397,145)
Bad debt expense	456,900	53,550
Net changes to certain operating assets and liabilities		
Accounts receivable	39,899	6,673
Pledges receivable, net	(72,567)	122,396
Loans receivable	70,275	100,159
Prepaid expenses	(28,618)	(18,822)
Inventory	(41,480)	-
Accounts payable and accrued expenses	7,354	143,250
Refundable advances - PPP program	-	(48,390)
Deferred revenue	308,500	525
Charitable gift annuity	(6,165)	(6,600)
	1,636,612	414,575
Net cash provided by operating activities		
Investing activities		
Purchase of investments and reinvestment of dividend income	(1,536,042)	(528,333)
Proceeds from sale of investments	4,452	40,250
	(1,531,590)	(488,083)
Net cash used by investing activities		
Change in cash	105,022	(73,508)
Cash, beginning of year	188,788	262,296
Cash, end of year	\$ 293,810	\$ 188,788

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Vincent Hospital Foundation (the Foundation), a New Mexico nonprofit corporation, was incorporated to provide support and benefit to the CHRISTUS St. Vincent Regional Medical Center (the Hospital). The Hospital is a comprehensive general acute care hospital located in Santa Fe, New Mexico. The Hospital encourages all donors to the Hospital to make their contributions through the Foundation. The Foundation has changed its tax status with the Internal Revenue Service to be a public charity.

The Foundation is independent of the Hospital, except the Hospital may appoint up to two members of the four authorized appointed members of the Foundation's Board of Directors. There are up to twenty-five elected members of the Foundation's Board of Directors. The Foundation's CEO and the Hospital's CEO also serve as ex-officio Directors of the Foundation. The St. Vincent Hospital Auxiliary and Anchorum St. Vincent may also name one of its representatives as one of the four authorized appointed members of the Foundation's Board of Directors. The Foundation does not manage the Hospital or share in any profit or loss in the Hospital's operation. Accordingly, the Hospital operations are not consolidated in the Foundation's financial statements.

The Hospital provides substantial assistance to the Foundation in the form of facilities, personnel, fundraising expenses, printing, office equipment and supplies that are required by the Foundation in its mission to maximize support to the Hospital.

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Foundation to report information regarding its financial position and activities and changes in net assets according to the following net asset classifications:

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 Foundation. These net assets may be used at the discretion of the Foundation'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 Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

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 statements of activities and changes in net assets.

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 reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Those estimates and assumptions affect the reported revenues and expenses. Actual results could differ from these estimates.

Cash and Cash Equivalents

The Foundation considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents. The Foundation maintains cash balances with financial institutions that at times may exceed federally insured limits.

Contributions

The Foundation reports contributions received as either with donor restriction or without donor restriction support, depending on the existence or nature of any donor restrictions. Unconditional promises to give are recognized as revenue and pledges receivable when the promise to give is made. Contributions with donor restriction whose restriction is satisfied in the same year as contribution are recorded as contributions without donor restriction.

The Foundation uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

The majority of the Foundation's contributions are received from donors located in the greater Santa Fe, New Mexico area. As such, the Foundation's ability to generate resources via contributions is dependent upon the economic health and other factors that can impact donations of that area.

Gift Shop Sales

During 2022, the Foundation began overseeing operations of a gift shop located in the St. Vincent Hospital. Gift shop sales revenue is recognized at the point of sale. Monies received but not earned during the fiscal year are recorded as deferred revenue. Gift shop sales revenue earned are presented net of applicable sales and use taxes.

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Inventory

Inventory is stated at the lower of cost or market. Cost is determined on a specific identification basis.

Investments

Investments consist of marketable debt and equity securities with readily determinable fair values and are reported at their fair values based on quoted prices in active markets in the statements of financial position. Investment gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets.

Property and Equipment

The Foundation capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from four to eight years.

Financial Instruments

The carrying amounts of cash, receivables, payables, and accrued liabilities and other obligations approximate fair value due to the short-term nature of these instruments.

Gifts In-Kind and Donated Services

Gifts in-kind are recorded at market value on the date of donation with a corresponding increase in either operating expenses or other non-current assets in the accompanying statements of activities and changes in net assets and financial position. The contributions are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills are performed by people with those skills and would otherwise be purchased by the Foundation. No amounts have been reflected in the financial statements for donated services from volunteers. The Foundation generally pays for services requiring specific expertise.

Fair Value Measurements

Accounting Standards Codification Topic 820 establishes 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 and liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements – Continued

Level 1 – Unadjusted quoted prices in active markets for identical investments that the Foundation has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, inputs other than observable quoted prices, or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant 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.

Income Taxes

The Foundation is a nonprofit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not classified by the Internal Revenue Service as a private foundation.

The Foundation has adopted accounting principles generally accepted in the United States of America, as they relate to uncertain tax positions, and has evaluated its tax positions taken for open tax years. Management believes that all activities of the Foundation are within their tax-exempt purpose, and that there are no uncertain tax positions. Any interest and penalties recognized associated with a tax position are classified as current in the Foundation's financial statements. There were no interest or penalties recorded as of June 30, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Subsequent Events

The Foundation has evaluated all events occurring subsequent to June 30, 2022 through March 27, 2023, which is the date that the financial statements were issued and does not believe that any events occurring during this period require either recognition or disclosure in the accompanying financial statements.

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Due in one year or less	\$ 160,135	\$ 366,802
Due after one year	<u>130,334</u>	<u>308,000</u>
Total pledges receivable	290,469	674,802
Less: Present value discount	(7,120)	(7,120)
Less: Allowance for uncollectible items	<u>(6,349)</u>	<u>(6,349)</u>
Pledges receivable, net	<u>\$ 277,000</u>	<u>\$ 661,333</u>

Pledges receivable due in more than one year are recognized at fair value, using present value techniques as of June 30, 2022 and 2021, respectively. Discount rates are determined when the donor makes an unconditional promise to give the Foundation.

NOTE 3 – LIFE PLEDGES

The Foundation received two gift agreements totaling \$500,000 to be funded upon the death of the donor and the donors' spouse. The gifts have been discounted using rates ranging from 1.2% to 2.0% over the expected life of the donors.

The Foundation received a gift agreement representing 25% of an IRA account to be funded upon the death of the donor. The gift was initially recorded in 2008 in the amount of \$150,000. The gift has been discounted using a rate of 2.0% over the expected life of the donor.

The Foundation received a gift agreement representing 7.5% of an IRA account to be funded upon the death of the donor. The gift was initially recorded in the amount of \$50,000. The gift has been discounted using a rate of 2.0% over the expected life of the donor.

The Foundation received a gift agreement for \$20,000 to be funded upon the death of the donor. The gift has been discounted using a rate of 1.2% over the expected life of the donor.

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 3 – LIFE PLEDGES – CONTINUED

Life pledges as of June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Pledged amount	\$ 720,000	\$ 720,000
Less: allowance for uncollectible amounts	(67,000)	(67,000)
Less: present value discount	<u>(90,997)</u>	<u>(90,997)</u>
Life pledges receivable, net	<u>\$ 562,003</u>	<u>\$ 562,003</u>

NOTE 4 – REVOCABLE PLANNED GIFTS

The Foundation has been named a remainder beneficiary of a charitable remainder unitrust, the corpus of which is not controlled by the management of the Foundation. Upon the death of both beneficiaries, a portion of the principal is to be distributed to the Foundation. As this gift is revocable in nature, the Foundation has not recorded it within the accompanying financial statements. The value of the gift is approximately \$950,000 as of June 30, 2022 and 2021, respectively.

The Foundation has been named a beneficiary of an estate, the corpus of which is not controlled by the management of the Foundation. Upon the death of both beneficiaries, a portion of the principal is to be distributed to the Foundation. As this gift is revocable in nature, the Foundation has not recorded it within the accompanying financial statements. The value of the gift is approximately \$55,000 as of June 30, 2022 and 2021, respectively.

NOTE 5 – LOANS RECEIVABLE

In an effort to assist the Hospital with employee retention, the Foundation has agreed to participate in a program to provide financial assistance to eligible employees with the purchase of personal residences. The Foundation will provide up to \$1,000,000 for below-market second mortgage loan assistance to employees that meet the eligibility requirements defined in the Employee Housing Program Agreement. Effective June 30, 2012, the program has been on hold. As of June 30, 2022 and 2021, the net mortgage loan principal balance totaled \$40,755 and \$111,030, respectively, and is reflected as loans receivable on the statements of financial position.

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 5 – LOANS RECEIVABLE – CONTINUED

Future scheduled loan payments receivable are as follows:

	2022	2021
Due in one year or less	\$ 1,414	\$ 12,816
Due after one year	47,519	106,392
Total loans receivable	48,933	119,208
Less: Allowance for loan losses	(8,178)	(8,178)
Net loans receivable	\$ 40,755	\$ 111,030

Management and the Board review the loans receivable and established an allowance for losses based on qualitative factors impacting the likelihood of loss. Management has determined that the allowance for loan losses is sufficient to cover any future losses.

NOTE 6 – INVESTMENTS

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2022:

2022 – Description	Assets at Fair Value			
	Total	Level 1	Level 2	Level 3
Equity index funds	\$ 5,299,479	\$ 5,299,479	\$ -	\$ -
Fixed income mutual funds	2,716,699	2,716,699	-	-
Money market funds	138,679	138,679	-	-
Total investments	\$ 8,154,857	\$ 8,154,857	\$ -	\$ -

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2021:

2021 – Description	Assets at Fair Value			
	Total	Level 1	Level 2	Level 3
Equity index funds	\$ 5,571,560	\$ 5,571,560	\$ -	\$ -
Fixed income mutual funds	2,164,141	2,164,141	-	-
Money market funds	294,893	294,893	-	-
Total investments	\$ 8,030,594	\$ 8,030,594	\$ -	\$ -

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 7 – CHARITABLE GIFT ANNUITY LIABILITY

In 2010, a related party transferred \$50,000 to the Foundation under a charitable gift annuity agreement. As part of the agreement, the Foundation makes annual payments of \$2,850 to the donor until their death. The \$50,000 is available for the Foundation's unrestricted use. The Foundation used present value techniques with a discount rate of 5.5% when the gift was made in 2010 to measure the annuity payment liability. The annuity payment liability was \$7,089 and \$9,504 at June 30, 2022 and 2021, respectively.

In 2015, a related party transferred \$62,500 to the Foundation under charitable gift annuity agreement. As part of the agreement, the Foundation makes annual payments \$3,750 to the donor until their death. The \$62,500 is available for the Foundation's unrestricted use. The Foundation used present value techniques with a discount rate of 5.5% when the gift was made in 2015 to measure the annuity payment liability. The annuity payment liability was \$19,434 and \$23,480 at June 30, 2022 and 2021, respectively.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 293,810	\$ 188,788
Investments	8,154,857	8,030,594
Accounts receivable, net	1,747	41,646
Loans receivable, net	40,755	111,030
Pledges and life pledges receivable, net	<u>839,003</u>	<u>1,223,336</u>
Total financial assets	9,330,172	9,595,394
Less amounts not available to be used within one year		
Loans receivable, non-current portion	39,341	98,214
Pledges and life pledges receivable, non-current portion	678,868	856,534
Other net assets with donor restrictions	<u>1,985,657</u>	<u>1,519,012</u>
Financial assets available to meet cash needs for general expenditure within one year from June 30, 2022 and 2021	<u>\$ 6,626,306</u>	<u>\$ 7,121,634</u>

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS – CONTINUED

The Foundation manages its cash flow and liquidity on an on-going basis to ensure that sufficient funds are available to cover current operational needs. The Foundation's goal is generally to maintain a level of liquid financial assets sufficient to cover three months of operating expenses and contributions to the Hospital. As part of its liquidity plan, the Foundation is continuously evaluating the amount of cash on hand and expected to be collected within 30 days, against current financial obligations.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Specific program services	\$ 1,985,657	\$ 1,519,012
Subject to the passage of time -		
Life and pledges receivable, net	<u>839,003</u>	<u>1,223,336</u>
	<u>\$ 2,824,660</u>	<u>\$ 2,742,348</u>

Net assets 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 were \$1,020,395 and \$754,108 for the years ended June 30, 2022 and 2021, respectively.

NOTE 10 – IN-KIND CONTRIBUTIONS

The value of the salaries, benefits, and office space provided by the Hospital was \$527,505 and \$414,337 for the years ended June 30, 2022 and 2021, respectively. This amount is included as contribution and grant revenue and expenses for the years ended June 30, 2022 and 2021, respectively.

The total value of all in-kind contributions received by the Foundation was \$530,005 and \$477,602 for the years ended June 30, 2022 and 2021, respectively.

St. Vincent Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(With Comparative Totals for June 30, 2021)

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents and investments. The Foundation places its investments with financial institutions and investments brokerage firms. Deposits with financial institutions are federally insured and assets held by investment brokerage firms are insured for existence and not valuation by private insurance (Securities Investor Protection Corporation).

The Foundation invests in various investment securities. The Foundation is a long-term investor and diversifies its investments to minimize the impact of the market. The investments are still exposed to various risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that change in the values of investments will occur in the near term and that such changes could materially affect the amounts reports to the statements of financial position.

NOTE 12 – RELATED PARTY TRANSACTIONS

Members of the Board and employees provide financial assistance to the Foundation. Included in contribution revenue for the years ended June 30, 2022 and 2021 was approximately \$212,000 and \$207,000, respectively, from members of the Board and employees.

In fulfilling its mission to support the Hospital, the Foundation made distributions to the Hospital for the years ended June 30, 2022 and 2021 totaling \$494,579 and \$848,602 respectively.

As of June 30, 2022 and 2021, the Foundation owed the Hospital \$108,885 and \$250,693, respectively, related to expenses incurred by the Hospital on behalf of the Foundation. This amount is included in accounts payable and accrued expenses as of June 30, 2022 and 2021, respectively.