

Audited Financial Statements

**HAZEL HAWKINS
HOSPITAL FOUNDATION**

June 30, 2024 and 2023

Audited Financial Statements

HAZEL HAWKINS HOSPITAL FOUNDATION

June 30, 2024

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JWT & Associates, LLP

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Report of Independent Auditors

Board of Directors
Hazel Hawkins Hospital Foundation
Hollister, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Hazel Hawkins Hospital Foundation (the Foundation), a non-profit organization, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the results of its operations, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 these 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern.

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.

JW7 & Associates, LLP

Fresno, California
December 2, 2024

Statements of Financial Position

HAZEL HAWKINS HOSPITAL FOUNDATION

	June 30	
	<u>2024</u>	<u>2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 809,243	\$ 917,732
Total current assets	809,243	917,732
Investments	<u>1,859,252</u>	<u>1,173,939</u>
Total assets	<u>\$ 2,668,495</u>	<u>\$ 2,091,671</u>
 Net Assets		
Net assets without donor restriction	\$ -0-	\$ -0-
Net assets with donor restrictions	<u>2,668,495</u>	<u>2,091,671</u>
Total net assets	<u>2,668,495</u>	<u>2,091,671</u>
Total net assets	<u>\$ 2,668,495</u>	<u>\$ 2,091,671</u>

Statements of Activities

HAZEL HAWKINS HOSPITAL FOUNDATION

	Year Ended June 30	
	<u>2024</u>	<u>2023</u>
Changes in net assets without donor restrictions		
Unrestricted revenues, gains and other support:		
Net assets released from restrictions	\$ 424,418	\$ 727,859
In-kind donations	<u>235,764</u>	<u>268,189</u>
Total unrestricted revenues, gains and other support	660,182	996,048
Unrestricted expenses:		
Donations to hospital and other program activities	412,984	717,372
Fundraising expenses and promotion	21,140	24,170
Salaries, wages and related benefits	169,702	171,595
Professional fees	26,050	40,000
Supplies, purchased services, and rent expense	22,955	28,742
Depreciation and other general and administrative expenses	<u>7,351</u>	<u>14,169</u>
Total unrestricted expenses	<u>660,182</u>	<u>996,048</u>
Increase (decrease) in net assets without donor restrictions	<u>\$ -0-</u>	<u>\$ -0-</u>
Changes in net assets with donor restrictions		
Restricted contributions, gains (losses) and other support	\$ 1,001,242	\$ 900,810
Net assets released from restrictions	<u>(424,418)</u>	<u>(727,859)</u>
Increase (decrease) in net assets with donor restrictions	<u>\$ 576,824</u>	<u>\$ 172,951</u>
 Increase (decrease) - both net assets with and without donor restrictions	 576,824	 172,951
Net assets at the beginning of the year	<u>2,091,671</u>	<u>1,918,720</u>
Net assets at the end of the year	<u>\$ 2,668,495</u>	<u>\$ 2,091,671</u>

Statements of Cash Flows

HAZEL HAWKINS HOSPITAL FOUNDATION

	Year Ended June 30	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 576,824	\$ 172,951
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Pledges and other receivables	<u>-0-</u>	<u>-0-</u>
Net cash provided by (used in) operating activities	576,824	172,951
Cash flows from investing activities:		
Net change in investments and other assets	<u>(685,313)</u>	<u>(4,444)</u>
Net cash provided by (used in) investing activities	(685,313)	(4,444)
Net increase (decrease) in cash and cash equivalents	(108,489)	168,507
Cash and cash equivalents at beginning of year	<u>917,732</u>	<u>749,225</u>
Cash and cash equivalents at end of year	<u><u>\$ 809,243</u></u>	<u><u>\$ 917,732</u></u>

See accompanying notes and auditor's report

HAZEL HAWKINS HOSPITAL FOUNDATION

June 30, 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose: The Hazel Hawkins Hospital Foundation, (the “Foundation”) is a non-profit organization established for the purpose of providing financial support, mainly through charitable donations, to the San Benito Health Care District, dba Hazel Hawkins Memorial Hospital, (the Hospital), a general acute care healthcare facility located in Hollister, California. Donations are used for the maintenance and expansion of the Hospital’s health care facilities. Foundation resources are generated through donations and bequests from individuals, private foundations, business/corporations and various fund raising activities. The Foundation is governed by a 21-member board and as a non-profit organization, is exempt from federal income taxes and State franchise taxes.

Basis of Preparation: The accompanying financial statements are prepared on the accrual basis of accounting. The accounting policies and financial statements of the Foundation generally conform with the recommendations of the audit and accounting guide, *Not-For-Profit Organizations*, published by the American Institute of Certified Public Accountants (AICPA). Net assets of the Foundation have been classified and are reported as follows:

- **Net assets without donor restrictions** - Net assets without donor restrictions represent resources of the Foundation that are not subject to donor-imposed stipulations. The only limits on these net assets are broad limits resulting from the nature of the Foundation and the purposes specified in its articles of incorporation and bylaws, if any.
- **Net assets with donor restrictions** - Net assets with donor restrictions represent contributions that are subject to donor-imposed restrictions that can be fulfilled by actions of the Foundation pursuant to those stipulations or by the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations as net assets released from donor restrictions. Donor restricted contributions whose restrictions expire during the same fiscal year are recognized as revenue without donor restrictions. Net assets with donor restrictions as of June 30, 2024 and 2023 relate to the Foundation’s fund raising activities to secure contributions for capital improvements and equipment.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets. A restriction expires when the stipulated time period has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Temporarily restricted contributions are recorded as restricted revenue when received. When the restriction expires, the net assets are shown as released from restriction on the statement of activities. Investment income on temporarily or permanently restricted net assets is recorded within the respective net asset category. When the restriction expires, the net assets are shown as released from restriction.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts during the reporting period. Actual results could differ from those estimates.

HAZEL HAWKINS HOSPITAL FOUNDATION

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents: Cash and cash equivalents include cash in checking, savings and money market funds available for use in daily operations of the Foundation. The Foundation routinely invests its surplus operating funds in interest-bearing funds such as certificates of deposit, savings accounts, money market accounts and mutual funds.

Revenues : In the absence of donor restrictions, contributions are considered to be available for unrestricted use. All revenue is recognized in the period when the contribution, pledge or unconditional promise to give is received.

Contributed Services and Supplies: Contributed services are reported as contributions if such services create or enhance non-financial assets or if they would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing such specialized skills. Contributed services and supplies are recognized at their estimated fair values at date of receipt with an equal and offsetting amount in unrestricted functional expenses in the statement of activities, resulting in no net impact on the change in net assets during the year. Contributed services and supplies recognized related to salaries and supplies were \$235,764 and \$268,189 for the years ended, June 30, 2024 and 2023, respectively.

Investments: Investments represent the surplus operating funds which have been invested in higher-yield cash equivalent instruments such as certificates of deposit, savings accounts, money market accounts and mutual funds. These investments in cash equivalents are stated at fair value, determined on the basis of closing market prices. Investment earnings related to these investments (including both realized and unrealized gains and losses on investments, interest and dividends and other than temporary impairments) are included in the increase or decrease in the respective net assets category within the statement of activities.

Income Taxes - The Foundation is a private not-for-profit organization formed under the laws of the State of California. The Foundation has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code by the United States of America's Internal Revenue Service (IRS). It has also been determined to be exempt under Section 23701 (d) of the State of California's Revenue and Taxation Code by the State of California's Franchise Tax Board. Accordingly, no provision for income taxes is included in the accompanying financial statements. The tax years of 2020 through 2024 remain open and subject to examination by the appropriate government agencies of the United States and the State of California.

Beneficial Interests in Perpetual Trusts - The Foundation has beneficial interests in certain perpetual trusts, which are held by third parties. Changes in the fair value of the Foundation's interest in the trust assets are reflected as net trust obligation in the statements of activities in the period in which payments to donor and gains and losses occur.

Statement of Cash Flows - For purposes of the Statement of Cash Flows, all highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

HAZEL HAWKINS HOSPITAL FOUNDATION

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)

Endowments: The Uniform Prudent Management of Institutional Funds Act (UPFIMA), as enacted by the State of California, applies to the Foundation's donor-restricted endowment funds. As required by UPFIMA, the Foundation accounts for endowment net assets by preserving the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result, the Foundation classifies, as permanently restricted net assets, a) the original value of gifts donated to the permanent endowment; b) the original value of subsequent gifts to the permanent endowment and c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets, according to donor stipulations, until those amounts are appropriated for expenditure by management for the donor-stipulated purpose. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: 1) the duration and preservation of the fund; 2) the purpose of the Foundation and the donor-restricted endowment fund; 3) general economic conditions; 4) the possible effects of inflation and deflation; 5) other resources of the Foundation; and 6) the investment policies of the Foundation.

Revenue Recognition: Contributions are recognized as revenue when they are received or unconditionally pledged. Donor stipulations that limit the use of the donation are recognized as contributions with donor restrictions. When the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions. Donor restricted contributions whose restriction expire during the same fiscal year are recognized as net assets without donor restrictions. Absent donor imposed restrictions, the Foundation records donated services, materials, and facilities as net assets without donor restrictions.

From time to time, the Foundation receives grants from various governmental agencies and private organizations. Revenues from grants are recognized when all eligibility requirements, including time requirements are met. Grants may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.

Gifts of long-lived assets such as land, buildings, or equipment are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit donor restrictions that specify how the asset is to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived asset is placed in service. Cash received in excess of revenue recognized is deferred revenue.

Notes to Financial Statements (continued)

HAZEL HAWKINS HOSPITAL FOUNDATION

NOTE B - INVESTMENTS

Investments are stated at fair market value and consisted of Cash, Insured Bank Deposit & Money Market Funds; Certificates of Deposit; Bonds; and Mutual Funds at June 30, 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Investments at fair value (closing market price) - current year	\$ 1,859,252	\$ 1,173,939
Investments at fair value (closing market price) - prior year	<u>(1,173,939)</u>	<u>(1,169,495)</u>
Net change to include realized and unrealized gains or (losses)	<u>\$ 685,313</u>	<u>\$ 4,444</u>

Donated marketable securities are recorded at fair market value at the date of donation. Both donated and purchased marketable securities held for investment are considered “available for sale” and are valued at fair market value at the date of the statement of financial position. The difference between fair value and cost is due to cumulative net realized and unrealized gains and losses. All net realized and unrealized gains or losses in the table above are reflected in the accompanying statements of activities

NOTE C - FUNCTIONAL EXPENSES

The Foundation provides general support for health care services to the residents within its geographic location within the guidelines of their non-profit mission. Functional expenses related to providing these services as of June 30, 2024 and 2023 were comprised of the following:

	<u>2024</u>	<u>2023</u>
Donations to the hospital and other program activities	\$ 412,984	\$ 717,372
Fundraising expenses	21,140	24,170
Salaries and wages	112,073	119,060
Employee benefits	57,629	52,535
Professional fees	26,050	40,000
Supplies	301	1,066
Purchased services	19,308	24,697
Rents and leases	3,346	2,979
Depreciation and amortization	3,338	3,338
Other general and administrative	<u>4,013</u>	<u>10,831</u>
	<u>\$ 660,182</u>	<u>\$ 996,048</u>

HAZEL HAWKINS HOSPITAL FOUNDATION

NOTE D - FAIR VALUE OF ASSETS AND LIABILITIES

Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosures*, requires the fair value of financial assets and liabilities to be determined using a specific fair value hierarchy. The objective of the fair value measurement of financial instruments is to reflect the hypothetical amounts at which the Center could sell assets and or transfer liabilities in an orderly transaction between market participants at the measurement date. FASB ASC 820 has three levels of inputs used to measure fair value:

Level 1: Quoted prices in active markets for identical assets;

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets;

Level 3: Unobservable inputs for the assets that are supported by little or no market activity and that are significant to the fair value of the underlying assets.

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the Center's statement of financial position, as well as the classification pursuant to the valuation hierarchy.

Financial Instruments: Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 instruments include a variety of financial instruments as listed below. There are no Level 2 or Level 3 types within the statement of financial position of the Foundation. The following table summarizes the financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of June 30, 2024:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Money market & cash equivalents	\$ 134,405	\$ 134,405		
Mutual funds & CD's	<u>1,811,998</u>	<u>1,811,998</u>		
Totals of financial instruments	<u>\$ 1,946,403</u>	<u>\$ 1,946,403</u>	=====	=====

HAZEL HAWKINS HOSPITAL FOUNDATION

NOTE D - FAIR VALUE OF ASSETS AND LIABILITIES (continued)

The following table summarizes the financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of June 30, 2023:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Money market & cash equivalents	\$ 122,495	\$ 122,495		
Mutual funds & CD's	1,045,944	1,045,944		
Debt & equity securities	<u>92,016</u>	<u>92,016</u>		
Totals of financial instruments	<u>\$ 1,260,455</u>	<u>\$ 1,260,455</u>		

NOTE E - CAPITAL CAMPAIGNS AND OTHER NET ASSETS WITH DONOR RESTRICTIONS

Outpatient Health Centers Campaign: In October, 2016, the Foundation's Board planned a capital campaign to raise funds to refurbish the clinics, starting with the Sunset Clinic. Funds raised at the annual dinner dance fundraising activity were used to complete this work. As of June 30, 2024, the project had been completed and all remaining funds were reallocated towards other projects for future refurbishings now underway to be completed in 2025.

Mabie Makeover Campaign: In May 2019, the Foundation's Board approved the campaign to raise funds to refurbish the skilled nursing facilities, starting with Northside. As a part of this campaign, raised funds will also go towards repairing rain damage which occurred during the fiscal year ending June 30, 2020. Due to COVID, the remaining refurbishings had been put on hold. As of June 30, 2023, \$8,404 remains in this fund and the project is now underway to be completed in 2024.

Barragan Diabetes Center and Other Capital Campaign Funds: During the year, the Foundation continued to receive donor contributions towards the diabetes center and other Hospital improvement projects, and has continued to donate these funds to the Hospital upon request by the Hospital to fund these projects.

Mabie Skilled Nursing Facility Continuing Education Fund: In 2007, the Foundation launched a fundraising campaign for the Tuition Assistance Program. The goal of the campaign was to raise enough money to make the Tuition Assistance Program self-sustaining. The combined balance of Tuition Assistance Funds and Continuing Education for Mabie SNF funds was \$35,397 in June 2010. During the June 30, 2010 year, a portion of the Tuition Assistance Program was discontinued, and funds were transferred to other scholarship funds within the Foundation. As of June 30, 2024, the funds remaining in the Continuing Education for Mabie Skilled Nursing Facility program is \$2,773.

HAZEL HAWKINS HOSPITAL FOUNDATION

NOTE E - CAPITAL CAMPAIGNS AND OTHER RESTRICTED NET ASSETS (continued)

Women's Center: The Foundation is the recipient of a bequest from Marie Rohnert in the amount of \$50,000 designated for the Home Health Fund, and \$150,000 designated for the Infusion Foundation Fund for a total gift of \$200,000. Due to closure of the Infusion Center at the Hospital, \$150,264 (the remainder of the funds) were transferred upon approval by donors towards the Women's Center Fund. These funds were then used to purchase equipment for the Women's Diagnostic Center. As of June 30, 2024, \$42,987 remains in this fund in order to accomplish future projects.

Rohnert/Spreckels Endowment Fund: A \$125,000 donation was received from the Estate of Fred Rohnert in 1983. The balance has been increased by \$100,000 from the Estate of Dorothy Rohnert Spreckels' 1990 Trust in the year ended June 30, 1999, and \$7,150 in years ended June 30, 1997 and prior. This donation has been designated as a general endowment of the Foundation. The total \$232,150 principal is invested in Edward Jones and is considered permanently restricted. Earned interest is transferred to temporarily restricted net assets available for specific Foundation use.

Emma Barnhisel Scholarship Fund: In January 1993, the Foundation accepted a bequest from the estate of Emma Barnhisel for \$50,000. This principal amount is considered a permanently restricted net asset, and the income realized from the investments is to be used for scholarships which are to be given to recipients who are pursuing careers in nursing and medical related fields. The scholarships are to be made in the name of Hazel Hawkins Hospital Foundation. Due to the financial situation of the Hospital as of June 30, 2023, the Foundation Board decided to not allocate any scholarships for 2023, however, in April 2024, the Foundation Board allocated \$21,250 in scholarships.

Sans Fund: In July of 1994, a restricted donation of \$139,288 was accepted from the San Benito County Medical Society. The funds were bequeathed to the Medical Society, by Elizabeth Sans; with the restriction that they be used to provide health care for people who could not otherwise afford medical treatment. The Medical Society is not recognized by the IRS as a 501(c)(3) Exempt Organization and does not have the resources necessary to administer the funds. The Foundation accepted the funds with the same restrictions as provided in the original bequest. In October, 2016, funds totaling \$159,935 were transferred to the Edward Jones account. Also in June, 2017, \$10,009 was moved from this Edward Jones account to fund a YMCA scholarship and diabetes prevention program. No scholarships were made for the years ended June 30, 2024 and 2023.

Fundraising Campaigns: The Development Committee at the Foundation started a fundraising campaign called "Invest in the Future of San Benito County, We Deserve It" in order to help the Hospital with their financial crisis. As of June 30, 2023 \$271,071.24 had been raised with no allocations made during 2024. In addition during 2024 an additional \$600,000 which has been placed in a certificate of deposit.

Other Restricted Funds: Other restricted funds are restricted for scholarships and are comprised of residual earnings of specific restricted funds.

HAZEL HAWKINS HOSPITAL FOUNDATION

NOTE F - INFORMATION REGARDING LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds. The Foundation has limited sources of liquidity at its disposal as itemized in the table presented below. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of providing support for health care services as well as the conduct of services undertaken to support those activities, to be general expenditures.

The Foundation strives to maintain liquid financial assets sufficient to cover at least 30 days of expenditures. The Foundation's policy is that excess cash on hand, when determined by the Board, is to be invested in investment instruments with liquidity requirements to enable the Foundation's usage of those assets within a short time period. The following table reflects the Foundation's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 809,243	\$ 917,732
Investments in cash, cash equivalents and debt securities	<u>1,859,252</u>	<u>1,173,939</u>
Total financial assets	2,668,495	2,091,671
Less reduction of financial assets not available for general expenses	<u>-0-</u>	<u>-0-</u>
Total financial assets available for one year of general expenses	<u>\$ 2,668,495</u>	<u>\$ 2,091,671</u>

In addition to financial assets available to meet general expenditures over the next 12-month period, the Foundation operates a balanced budget and anticipates collecting sufficient revenues and donations to cover general expenditures not covered by assets limited as to use and donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Foundation's cash flow and shows positive cash generated by operations for fiscal years ended June 30, 2024 and 2023.

NOTE G - IN-KIND DONATED SERVICES AND SUPPLIES

The Hospital provides certain paid employees to assist the Foundation. This expense is considered to be in-kind donations from the Hospital to the Foundation. The value of these services, the associated employee benefits, various supplies and contract services are reflected in the Foundation's financial statements as "in-kind donations with corresponding expenses included as Foundation expenditures. The value assigned for these donated services for the years ended June 30, 2024 and 2023 was \$214,624 and \$244,019, respectively.

Notes to Financial Statements (continued)

HAZEL HAWKINS HOSPITAL FOUNDATION

NOTE G - IN-KIND DONATED SERVICES AND SUPPLIES (continued)

The Foundation also receives other in-kind fundraising donations which it in turns records as fundraising expenditures. In-kind fundraising donations for the years ended June 30, 2024 and 2023 were \$21,140 and \$24,170, respectively.

NOTE H - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through December 2, 2024, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.