White Memorial Charitable Foundation

White Memorial Medical Center Charitable Foundation
(dba Adventist Health White Memorial Charitable Foundation)
Audited Financial Statements
As of and for the Years Ended December 31, 2023 and 2022
with Independent Auditor's Report

VASQUEZ
+ COMPANY LLP

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Independent Auditor's Report

Board of Directors
White Memorial Medical Center Charitable Foundation
(dba Adventist Health White Memorial Charitable Foundation)

Opinion

We have audited the financial statements of White Memorial Medical Center Charitable Foundation (dba Adventist Health White Memorial Charitable Foundation) (the Foundation), a nonprofit organization, which comprise the statements of financial position as of December 31, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the 2022 financial statements have been restated to correct the understatement in revenue and receivable accounts. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is 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 GAAS, 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.

Vasquez & Company LLP

Glendale, California
September 12, 2024

	December 31	
	2023	2022 (As restated)
ASSETS		
Current assets		
Cash and cash equivalents	$ **15,484,037**	$ 13,758,718
Receivable from Adventist Health White Memorial	**49,759**	90,411
Grants receivable	**473,976**	-
Net pledges receivable, current	**640,450**	339,427
Total current assets	**16,648,222**	14,188,556
Noncurrent assets		
Net pledges receivable, net of current portion	**676,623**	750,700
Total noncurrent assets	**676,623**	750,700
Total assets	$ **17,324,845**	$ 14,939,256
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ **326,289**	$ 185,687
Payable to Adventist Health White Memorial	**709,226**	962,473
Grant and contract advances	**5,749,825**	3,040,397
Total current liabilities	**6,785,340**	4,188,557
Net assets		
Without donor restrictions		
Undesignated	**1,802,127**	400,516
Internally designated	**752,988**	926,336
	2,555,115	1,326,852
With donor restrictions	**7,984,390**	9,423,847
Total net assets	**10,539,505**	10,750,699
Total liabilities and net assets	$ **17,324,845**	$ 14,939,256

See notes to financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Grants, contracts and contributions	$ 68,031	$ 4,611,988	$ 4,680,019
Provision (reversal of provision) for uncollectible pledges	(6,200)	45,000	38,800
Net grants, contracts, and contributions	74,231	4,566,988	4,641,219
Special events revenue, net of cost of direct benefits to donors of $147,135	-	852,100	852,100
Donated goods, services and facilities	1,157,957	-	1,157,957
Other income, net	1,206,747	-	1,206,747
Net assets released from restrictions	6,858,545	(6,858,545)	-
Total revenues and support	9,297,480	(1,439,457)	7,858,023
Expenses			
Support to beneficiary organizations	5,531,107	-	5,531,107
Salaries and benefits	1,073,285	-	1,073,285
Professional fees	1,047,900	-	1,047,900
Purchased services and supplies	277,648	-	277,648
Travel, dues and subscriptions	35,174	-	35,174
Others	104,103	-	104,103
Total expenses	8,069,217	-	8,069,217
Change in net assets	1,228,263	(1,439,457)	(211,194)
Net assets at beginning of year, as restated	1,326,852	9,423,847	10,750,699
Net assets at end of year	$ 2,555,115	$ 7,984,390	$ 10,539,505

See notes to financial statements.

	Without Donor Restrictions	With Donor Restrictions (As restated)	Total (As restated)
Revenues and support			
Grants, contracts and contributions	$ 54,175	$ 6,822,590	$ 6,876,765
Provision for uncollectible pledges	-	23,343	23,343
Total grants, contracts, and contributions	54,175	6,799,247	6,853,422
Special events revenue, net of cost of direct benefits to donors of $116,035	-	534,966	534,966
Donated goods, services and facilities	1,035,782	165,930	1,201,712
Other income, net	(175,425)	-	(175,425)
Net assets released from restrictions	3,847,637	(3,847,637)	-
Total revenues and support	4,762,169	3,652,506	8,414,675
Expenses			
Support to beneficiary organizations	2,233,847	-	2,233,847
Professional fees	1,592,165	-	1,592,165
Salaries and benefits	1,011,753	-	1,011,753
Purchased services and supplies	189,266	-	189,266
Travel, dues and subscriptions	30,063	-	30,063
Others	144,558	-	144,558
Total expenses	5,201,652	-	5,201,652
Change in net assets	(439,483)	3,652,506	3,213,023
Net assets at beginning of year	1,766,335	5,771,341	7,537,676
Net assets at end of year, as restated	$ 1,326,852	$ 9,423,847	$ 10,750,699

See notes to financial statements.

	2023			
	Program Services	**Management and General**	**Fundraising**	**Total**
Support to beneficiary organizations	$ 5,393,746	$ 89,533	$ 47,828	$ 5,531,107
Salaries and benefits	147,613	631,317	294,355	1,073,285
Professional fees	828,691	142,882	76,327	1,047,900
Purchased services and supplies	219,567	37,858	20,223	277,648
Travel, dues and subscriptions	27,816	4,796	2,562	35,174
Others	82,326	14,194	7,583	104,103
	$ 6,699,759	$ 920,580	$ 448,878	$ 8,069,217

	2022			
	Program Services	Management and General	Fundraising	Total
Support to beneficiary organizations	$ 2,178,371	$ 36,160	$ 19,316	$ 2,233,847
Professional fees	1,259,101	217,094	115,970	1,592,165
Salaries and benefits	303,297	461,498	246,958	1,011,753
Purchased services and supplies	149,673	25,807	13,786	189,266
Travel, dues and subscriptions	23,774	4,099	2,190	30,063
Others	114,318	19,711	10,529	144,558
	$ 4,028,534	$ 764,369	$ 408,749	$ 5,201,652

See notes to financial statements.

	Years ended December 31	
	2023	2022 (As restated)
Cash flows from operating activities		
Change in net assets	**$ (211,194)**	$ 3,213,023
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for uncollectible pledges	**(38,800)**	(23,343)
Discount on long-term pledges receivable	**123,377**	149,300
(Increase) decrease in:		
Receivable from Adventist Health White Memorial	**40,652**	(51,735)
Grants receivable	**(473,976)**	794,500
Net pledges receivable	**(311,523)**	(1,152,741)
Increase (decrease) in:		
Accounts payable	**140,602**	178,134
Payable to Adventist Health White Memorial	**(253,247)**	715,293
Grant and contract advances	**2,709,428**	(1,998,598)
Net cash provided by operating activities	**1,725,319**	1,823,833
Cash flows from investing activity		
Proceeds from maturity of certificates of deposit	**-**	1,766,712
Cash provided by investing activity	**-**	1,766,712
Net increase in cash and cash equivalents	**1,725,319**	3,590,545
Cash and cash equivalents at beginning of year	**13,758,718**	10,168,173
Cash and cash equivalents at end of year	**$ 15,484,037**	$ 13,758,718

See notes to financial statements.

NOTE 1 ORGANIZATIONAL PROFILE

Reporting Entity and Nature of Operations

White Memorial Medical Center Charitable Foundation (dba Adventist Health White Memorial Charitable Foundation) (the Foundation) supports the various health activities of White Memorial Medical Center (dba Adventist Health White Memorial) (Medical Center) and Western Health Resources, affiliated organizations of Adventist Health.

The Foundation's operations include fund development, external relations, government relations, integrated research, volunteers, workforce development, and management of certain projects such as the Rainbow Child Care Center and the QueensCare dental van, and Welcome Baby. Grants are obtained from various private charitable foundations, corporate foundations, and government agencies. Individuals and local businesses provide contributions and sponsorships and ticket purchases for special events. Individuals provide planned gifts as a result of estate or financial planning.

The Foundation raises fundraising efforts for programs that benefit the Medical Center and serves the communities of Boyle Heights, East Los Angeles and Montebello. The gala fundraising event and the golf fundraising event were both held to benefit the programs of the Medical Center.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 (U.S. GAAP), which require the Foundation to report information regarding its financial position and activities 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. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation’s grants, contracts and contributions and interest earned on investments. Nonoperating activities are limited to resources that generate returns from other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand accounts and other highly liquid investments with initial maturities not in excess of three months when purchased.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Due to/from Related Parties

Amounts reported as due to/from related parties, included in the accompanying statements of financial position, arise principally from the collaborative activities between Adventist Health White Memorial and the Foundation to further the mission of the Foundation.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Foundation groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 - Other observable inputs, either directly or indirectly, including:

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

Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

The Foundation's financial assets and liabilities include primarily cash and cash equivalents, certificates of deposit, receivables, and accounts payable. Because of the short-term nature of these financial instruments, the carrying amounts of these assets and liabilities approximate their fair value.

Pledges and Grants Receivable
Pledges receivables is the unconditional promises to give are recognized as revenue when verifiable documentation of a promise is received. Unconditional promises to give that are expected to be collected in less than one year are reported at a net realizable value. Those that are expected to be collected in more than one year are reported at fair value at the date of promise. The fair value is computed using a present value technique applied to future cash flows. Amortization of the resulting discount is recognized as additional contribution revenue.

Grants receivable are stated at unpaid balances, less allowance for doubtful accounts.

The Foundation establishes an allowance for uncollectible accounts based on many factors, including the age of receivables, historical cash collection experience, and other relevant information. Uncollectible accounts are charged to expense in the period in which that determination is made.

Revenue Recognition

Grants and Contracts
The Foundation recognizes revenues when eligible costs are incurred for cost-reimbursement grants and contracts and when contracted services are performed for fee-for-service grants and contracts. Amounts received prior to incurring qualifying expenditures are reported as grant and contract advances in the statements of financial position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and / or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Donations in-Kind
Contributions of noncash assets are recorded at fair value in the period received. A portion of the Foundation's functions are conducted with the assistance of donated goods, facilities and services from various individuals and agencies. The donated goods, facilities and services are recorded as revenue and expense, calculated at fair value (see Note 10).

Donated services are recognized if the service requires specialized skills, is provided by individuals possessing the skills and the service would otherwise need to be purchased.

Support of Beneficiary Organizations
The Foundation maintains discretion as to the distribution of funds in accordance with any donor restrictions placed on the funds. The timing of distributions is determined by the Foundation in consultation with beneficiaries based on current beneficiary needs and requests for the funds.

Amounts requested by year-end but paid after year-end, and conditional grant amounts for which the beneficiary has fulfilled the requirements of the grant, are recorded as a liability.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Program services consist of amounts distributed to beneficiaries in accordance with the Foundation's mission. Fundraising consists of the costs undertaken to solicit potential donors to contribute money or other assets. Management and general include all other administrative expenses not associated with program services or fundraising. Such allocations are determined by management on an equitable basis.

The expenses are allocated based on time and effort.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Accordingly, no provision for income taxes or related credits are included in these financial statements. The Foundation qualifies as a public charity classified as a Type I Supporting Organization and is not a private foundation.

U.S. GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Foundation has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated relate to the organization’s continued qualification as a tax-exempt organization and whether there is a material unrelated trade or business income tax liability. Management has determined that all income tax positions, based on the technical merits of the position, will more likely than not be sustained upon potential audit or examination. Therefore, no disclosures of uncertain income tax positions are required.

The Foundation’s income tax returns remain subject to examination generally for three and four years after they were filed for federal and state, respectively.

Recently Adopted Accounting Pronouncement

In March 2022, the FASB issued ASU 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*. ASU 2022-02 eliminates the accounting guidance for troubled debt restructurings by creditors in ASC 310-40, Receivables - Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. This ASU is effective for the Foundation beginning on January 1, 2023. The adoption of ASU 2022-02 did not have a significant impact on the Foundation’s financial statements.

NOTE 3 RESTATEMENT OF THE 2022 FINANCIAL STATEMENTS

The Foundation restated its 2022 financial statements to correct the understatement in revenue and receivable accounts amounting to $119,059. The impact of this restatement in the 2022 financial statements is as follows:

	2022 Balance, as previously reported	Adjustments Increase (Decrease)	2022 Balance, as restated
Assets	$ 14,820,197	$ 119,059	$ 14,939,256
Liabilities	$ 4,188,557	$ -	$ 4,188,557
Net assets	10,631,640	119,059	10,750,699
Total liabilities and net asset	$ 14,820,197	$ 119,059	$ 14,939,256
Total revenues and support	$ 8,295,616	$ 119,059	$ 8,414,675
Total expenses	(5,201,652)	-	(5,201,652)
Change in net assets	$ 3,093,964	$ 119,059	$ 3,213,023

NOTE 4 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. In addition, the Foundation receives support without donor restrictions (unrestricted monies), and the remainder is investment income generally without donor restrictions and appropriated earnings from gifts with donor restrictions.

Some of the cash and investments of the Foundation are pooled with the cash and investments of Adventist Health. These pooled cash and investments are managed by Adventist Health in accordance with its own investment policy.

The Foundation considers investment income, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's calendar year.

NOTE 4 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

The Foundation, through Adventist Health, manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that term grant commitments and obligations will continue to be met, ensuring the sustainability of the Foundation.

The table below presents financial assets available for general expenditures within one year at December 31:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	**$ 15,484,037**	$ 13,758,718
Receivable from Adventist Health White Memorial	**49,759**	90,411
Net pledges receivable	**1,317,073**	971,068
Grants receivable	**473,976**	-
Total financial assets	**16,850,869**	14,820,197
Less amounts not available to be used within one year:		
Net pledges receivable, noncurrent	**676,623**	750,700
	676,623	750,700
Financial assets available to meet general expenditures over the next twelve months	**$ 16,174,246**	$ 14,069,497

NOTE 5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at December 31:

	2023	2022
Deposits with financial institutions	**$ 609,331**	$ 903,258
Cash in Adventist Health System West	**14,874,706**	12,855,460
	$ 15,484,037	$ 13,758,718

The Foundation maintains cash funds in a traditional financial institution and in a pooled fund with Adventist Health System West. The cash funds held by the financial institutions were covered by FDIC insurance up to $250,000 at December 31, 2023 and 2022.

NOTE 5 CASH AND CASH EQUIVALENTS (CONTINUED)

The Foundation adjusts the carrying value of its cash in Adventist Health System West to reflect its fair value at year-end. The Adventist Health System West cash management portfolio composition is as follows for the years ended December 31:

	2023	2022
Cash or short-term investments	**4.1%**	16.6%
Government agencies	**1.9%**	1.9%
Treasury notes	**1.9%**	2.0%
Municipal bonds	**0.3%**	0.2%
Corporate debt	**10.2%**	9.2%
Mortgage-backed securities	**0.2%**	0.2%
Mutual funds - fixed income	**14.1%**	13.0%
Mutual funds - equity	**38.1%**	34.0%
Commingled funds	**4.8%**	3.9%
Hedge funds	**16.7%**	14.2%
Private equity funds	**7.7%**	4.8%

Interest and investment gains and losses are allocated monthly to entities participating in the portfolio. For the years ended December 31, 2023 and 2022, the Foundation earned $352,527 and $676,140 of interest, dividends, and realized gains or (losses) and was allocated $854,220 and $(852,227) of unrealized gains or (losses), respectively. The total investment gains or (losses), net of $1,206,747 and $(176,087) for the years ended December 31, 2023 and 2022, respectively, is recorded under other income, net in the statements of activities.

NOTE 6 NET PLEDGES RECEIVABLE

At December 31, outstanding pledge amounts from fundraising campaigns are estimated to be collected as follows:

	2023	2022
Within one year	**$ 685,450**	$ 369,427
Within one to five years	**500,000**	500,000
Over five years	**300,000**	400,000
Gross pledges receivable	**1,485,450**	1,269,427
Less: Allowance for uncollectible pledges	**(45,000)**	(30,000)
Less: Discount to net present value at 3.79%	**(123,377)**	(149,300)
Net pledges receivable	**$ 1,317,073**	$ 1,090,127

NOTE 7 GRANT AND CONTRACT ADVANCES

At December 31, grant and contract advances consist of:

	2023	2022
Song Brown Capitation	**$ 2,123,538**	$ 422,791
LA Care Residency Expansion Grant	**1,557,734**	938,756
Cal Med Force Grant	**1,380,996**	681,498
CCF 2020-2023 Behavioral Health	**573,962**	863,514
NBCF Patient Navigator Program 2023	**26,212**	-
Behavioral Health Integration Incentive Program	**78,800**	-
HRSA Local Community-Based Workforce to Increase COVID-19 Vaccine Access	**8,212**	40,504
American Cancer Society Patient TransportationGrant	**371**	10,000
Temporary unassigned fund	**-**	83,334
	$ 5,749,825	$ 3,040,397

NOTE 8 INTERNALLY DESIGNATED NET ASSETS

At December 31, internally designated net assets are for the following purposes:

	2023	2022
Diabetes Related	**$ 599,727**	$ 718,080
Center for Hispanic Health	**107,785**	107,995
Evidence Based Practice Scholar Program	**25,298**	25,298
Development Shared Governance Nursing Research Council	**12,235**	12,235
Vive Bien Senior Wellness Program/ What Matters to Me	**3,309**	3,309
Other	**2,500**	2,000
Garden	**1,518**	1,518
Foster McGaw	**616**	616
Flower Shop	**-**	53,420
Graduate Training Family Medicine	**-**	1,864
Total Internally Designated Assets	**$ 752,988**	$ 926,336

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

At December 31, net assets with donor restrictions are held for the following purposes:

	2023	2022
Cancer Center	**$ 1,069,459**	$ 1,073,524
Workforce Development	**919,098**	858,452
LA Care Residency Expansion	**705,012**	833,627
Center for Hispanic Health	**685,666**	685,706
Cleft Palate Program	**620,398**	613,703
Song Brown Capitation	**554,296**	1,630,492
National Breast Cancer Foundation Programs	**447,402**	358,058
Gala 2023	**393,371**	-
Diabetes/Service Areas	**387,415**	623,423
Blue Zone	**321,038**	320,516
Simulation Center	**279,501**	274,679
Medical Office Building Improvements	**230,000**	-
Neonatal ICU	**135,440**	132,335
Cardiology	**121,504**	115,897
Medical Education	**76,726**	77,603
Behavioral Health	**55,697**	552,733
Gala 2022	**51,000**	66,000
UniHealth - Homeless Navigator	**46,439**	136,949
California Community Foundation CRC Food	**40,000**	-
CCF Cancer Center Clinical Melonoma	**34,686**	34,686
Breast Cancer Prevention Grant	**34,438**	144,943
H.E.L.P. Program	**31,933**	31,121
National Breast Cancer Foundation Patient	**31,125**	-
Nursing Education	**27,138**	22,917
Friends of the Library	**25,684**	25,684
Walmart (Grant) - Diabetes Education	**25,000**	25,000
Walmart Community Resource Center Food	**21,791**	-
OR Equipment	**20,000**	20,000
Little Angels of Adventist Health White Memorial	**15,721**	14,505
JP Morgan Chase Cancer Grant	**15,000**	-
Diabetes - Other	**14,671**	1,377
Golf 2022	**14,250**	15,250
Maternity	**14,169**	13,209
Novartis Clinical Trials	**13,907**	13,907

(Continued)

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2023	2022
CalBridge Behavioral Health Navigator Program	$ 11,709	$ -
Pet Therapy	11,339	9,725
Seattle Genetic Clinical Trials	9,200	9,200
Chaplains Fund	8,366	7,546
Breast Cancer - Susan G Komen Grant	7,428	11,071
Cardiac Outreach	6,536	6,536
Mission Projects: Mexico	6,202	3,613
Dupper Community Fund	5,664	4,673
Close the Gap - 2018	4,547	4,547
Program - Educational Fund	3,544	15,663
Starlight Foundation Pediatric Grant	2,403	3,737
Mammograms	1,850	1,500
Foundation Philanthropy	1,500	1,500
Smile Train - Anti Bullying Grant	917	917
Employee Assistance	478	1,594
Limb Preservation & Advanced Wound Care	48	30,000
Other restricted purposes	423,684	503,904
CCF Planning Grant Behavioral Health	-	29,542
Clinical Laboratory	-	36
COVID-19 Rapid Response - Associates	-	63
MUFG (Union Bank) Cultural Competency Training Program	-	49,000
NBCF 2015 Screen & Diagnostic Mammograms	-	300
Welcome Baby Project	-	12,884
	$ 7,984,390	$ 9,423,847

NOTE 10 DONATED GOODS, SERVICES AND FACILITIES

For the years ended December 31, donated goods, services and facilities recognized within the statements of activities included:

	2023	2022
Personnel	$ 1,073,285	$ 1,011,753
Rent	84,672	84,672
Consultant and professional	-	99,950
Food	-	5,172
Gifts	-	165
	$ 1,157,957	$ 1,201,712

NOTE 10 DONATED GOODS, SERVICES AND FACILITIES (CONTINUED)

The personnel, consultant and professional fees were related to the Foundation's salaries and fees paid for by the Medical Center and Adventist Health. The amounts recorded were based on the actual costs incurred.

The donated rent was for the use of the Foundation's office space. The Foundation estimated the fair value of in-kind rent using the rate of prevailing rent of similar-sized facilities in the area.

The Foundation also received food and gifts amounting to $5,337 in 2022. The Foundation estimated the fair value of the food and gifts donations based on an estimate of wholesale value that would be received for selling similar products. These in-kind donations have donor-imposed restrictions.

NOTE 11 RELATED PARTY TRANSACTIONS

The Medical Center and Adventist Health paid for the Foundation's employee compensation costs and other expenses of $1,157,957 and $1,201,712 in 2023 and 2022, respectively. These items are recorded as both support and expenses in the accompanying financial statements. The Medical Center is reimbursed for a portion of these employee compensation costs and other expenses through grant funding which was secured by the Foundation.

The Foundation is dependent on the Medical Center's financial support for its continued operations for fund development, external relations, government relations, volunteers, integrated research and other fundraising responsibilities.

As disclosed in Note 1, the Foundation supports the various health activities of the Medical Center. As of December 31, 2023 and 2022, payable to Adventist Health White Memorial amounted to $709,226 and $962,473, respectively.

Receivable from Adventist Health White Memorial as of December 31, 2023 and 2022 which amounted to $49,759 and $90,411, respectively, pertains to reimbursements of expenses by the Foundation.

NOTE 12 CONDITIONAL GRANTS

The Foundation is the recipient of certain grants that are conditioned upon various factors, including the beneficiary incurring qualifying program expenditures, number of residents in its physician residency program, and obtaining matching contributions from other donors. If and when the conditions are met, the Foundation will recognize revenue and a corresponding receivable from the grantors. At December 31, the amounts outstanding from contracts where the conditions have been met are as follows:

	2023	2022
QueensCare - Emergency Medical Services Grant	**$ 402,057**	$ -
LA Care Residency Expansion Grant		
- Family Medicine	**64,307**	-
CCF Planning Grant - Behavioral Health Grant	**7,560**	-
Song Brown Grant Fund	**52**	-
	$ 473,976	$ -

QueensCare has an existing grant contract to support indigent inpatient services with the Medical Center. This contract was secured by the Foundation and deposited directly to the account of the Medical Center. The Foundation also assists the Medical Center in the billing process for this contract. Funds awarded to the Foundation amounted to $1,500,000 and $1,156,627 in 2023 and 2022, respectively.

NOTE 13 OTHER EXPENSES

For the years ended December 31, 2023 and 2022, other expenses consist of:

	2023	2022
Rents and leases	**$ 92,047**	$ 92,500
Bank charges	**8,182**	8,509
Utilities	**1,555**	2,392
Postage	**1,140**	1,706
Others	**1,179**	39,451
	$ 104,103	$ 144,558

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated events or transactions that occurred subsequent to December 31, 2023 through September 12, 2024, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined that no subsequent events required disclosure or adjustment to the accompanying financial statements.

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