Jackson Health Foundation, Inc.

Financial Statements
Years Ended September 30, 2023 and 2022

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Contents

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Independent Auditor's Report

Board of Directors
Jackson Health Foundation, Inc.
Miami, Florida

Opinion

We have audited the financial statements of Jackson Health Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of September 30, 2023 and 2022, and the results of its operations 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 audit 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.

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.

BDO USA, P.C.

Miami, FL
January 9, 2024

Financial Statements

Jackson Health Foundation, Inc.

Statement of Financial Position

(With Summarized Comparative Totals for the Year Ended September 30, 2022)

September 30, 2023	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total 2023	Total 2022
Assets					
Current Assets					
Cash and cash equivalents	$ 7,652	$ 2,927,499	$ -	$ 2,935,151	$ 2,337,635
Interfund receivable (NOTE 11)	-	4,521,888	(4,521,888)	-	-
Other current assets	140,522	-	-	140,522	138,127
Pledges receivable - current portion, net	3,564	5,616,708	-	5,620,272	3,521,231
Total Current Assets	151,738	13,066,095	(4,521,888)	8,695,945	5,996,993
Pledges receivable, less current portion, net	-	10,780,139	-	10,780,139	11,998,412
Investments	1,097,808	3,237,623	-	4,335,431	4,591,619
Property and equipment, net	108,607	-	-	108,607	218,652
Total Assets	$ 1,358,153	$ 27,083,857	$ (4,521,888)	$ 23,920,122	$ 22,805,676
Liabilities and Net Assets					
Current Liabilities					
Accounts payable and accrued expenses	$ 203,747	$ 8,950	$ -	$ 212,697	$ 259,643
Bank loan payable	-	-	-	-	90,000
Deferred revenue	-	112,374	-	112,374	9,019
Interfund payable (NOTE 11)	4,521,888	-	(4,521,888)	-	-
Total Current Liabilities	4,725,635	121,324	(4,521,888)	325,071	358,662
Total Liabilities	4,725,635	121,324	(4,521,888)	325,071	358,662
Commitments and contingencies (NOTE 15)					
Net Assets (Deficit)					
Without donor restrictions	(3,367,482)	-	-	(3,367,482)	(975,804)
With donor restrictions	-	26,962,533	-	26,962,533	23,422,818
Total Net Assets (Deficit)	(3,367,482)	26,962,533	-	23,595,051	22,447,014
Total Liabilities and Net Assets	$ 1,358,153	$ 27,083,857	$ (4,521,888)	$ 23,920,122	$ 22,805,676

See accompanying notes to the financial statements.

Jackson Health Foundation, Inc.

Statement of Financial Position

September 30, 2022	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 169,624	$ 2,168,011	$ -	$ 2,337,635
Interfund receivable (NOTE 11)	-	2,898,594	(2,898,594)	-
Other current assets	138,127	-	-	138,127
Pledges receivable - current portion, net	504,468	3,016,763	-	3,521,231
Total Current Assets	812,219	8,083,368	(2,898,594)	5,996,993
Pledges receivable, less current portion, net	-	11,998,412	-	11,998,412
Investments	1,232,812	3,358,807	-	4,591,619
Property and equipment, net	218,652	-	-	218,652
Total Assets	$ 2,263,683	$ 23,440,587	$ (2,898,594)	$ 22,805,676
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	$ 250,893	$ 8,750	$ -	$ 259,643
Bank loan	90,000	-	-	90,000
Deferred revenue	-	9,019	-	9,019
Interfund payable (NOTE 11)	2,898,594	-	(2,898,594)	-
Total Current Liabilities	3,239,487	17,769	(2,898,594)	358,662
Total Liabilities	3,239,487	17,769	(2,898,594)	358,662
Commitments and contingencies (NOTE 15)				
Net Assets (Deficit)				
Without donor restrictions	(975,804)	-	-	(975,804)
With donor restrictions	-	23,422,818	-	23,422,818
Total Net Assets (Deficit)	(975,804)	23,422,818	-	22,447,014
Total Liabilities and Net Assets	$ 2,263,683	$ 23,440,587	$ (2,898,594)	$ 22,805,676

See accompanying notes to the financial statements.

Jackson Health Foundation, Inc.

Statement of Activities

(With Summarized Comparative Totals for the Year Ended September 30, 2022)

Year ended September 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
Public Support and Revenues:				
Public Support:				
Donations for International Kids Fund Program	$ -	$ 73,429	$ 73,429	$ 189,253
Contributions	2,153,946	6,537,416	8,691,362	11,125,165
Contributions of nonfinancial assets (NOTE 9)	838,299	-	838,299	340,054
Special events, including $123,487 in contributions of nonfinancial assets, net of direct expenses totaling $1,712,963	(383,706)	-	(383,706)	369,277
Total Public Support, net	2,608,539	6,610,845	9,219,384	12,023,749
Interest income and dividends, net of investment fees	135,913	32,025	167,938	213,371
Net realized and unrealized gain (loss) on investments	266,320	103,281	369,601	(1,563,887)
Total Public Support and Revenues Before Net Assets Released from Restrictions	3,010,772	6,746,151	9,756,923	10,673,233
Net Assets Released From Restrictions:				
Satisfaction of program restrictions	3,206,436	(3,206,436)	-	-
Total Public Support and Revenues	6,217,208	3,539,715	9,756,923	10,673,233
Expenses Including Direct Support Payments:				
Program Services:				
Jackson Health System	3,060,850	-	3,060,850	4,305,999
International Kids Fund	595,823	-	595,823	451,082
Other programs	3,018,935	-	3,018,935	2,211,351
Total Program Services	6,675,608	-	6,675,608	6,968,432
Management and general	908,246	-	908,246	966,187
Fundraising	1,025,032	-	1,025,032	919,099
Total Expenses Including Direct Support Payments	8,608,886	-	8,608,886	8,853,718
Change in Net Assets	(2,391,678)	3,539,715	1,148,037	1,819,515
Net Assets (Deficit), beginning of year	(975,804)	23,422,818	22,447,014	20,627,499
Net Assets (Deficit), end of year	$ (3,367,482)	$ 26,962,533	$ 23,595,051	$ 22,447,014

See accompanying notes to the financial statements.

Jackson Health Foundation, Inc.

Statement of Activities

Year ended September 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues:			
Public Support:			
Donations for International Kids Fund Program	$ -	$ 189,253	$ 189,253
Contributions	2,526,388	8,598,777	11,125,165
Contributions of nonfinancial assets (NOTE 9)	340,054	-	340,054
Special events, including $92,653 in contributions of nonfinancial assets, net of direct expenses totaling $855,068	-	369,277	369,277
Total Public Support, net	2,866,442	9,157,307	12,023,749
Interest income and dividends, net of investment fees	108,506	104,865	213,371
Net realized and unrealized loss on investments	(1,015,732)	(548,155)	(1,563,887)
Total Public Support and Revenues before Net Assets Released from Restrictions	1,959,216	8,714,017	10,673,233
Net Assets Released From Restrictions:			
Satisfaction of program restrictions	8,173,257	(8,173,257)	-
Total Public Support and Revenues	10,132,473	540,760	10,673,233
Expenses Including Direct Support Payments:			
Program services:			
Jackson Health System	4,305,999	-	4,305,999
International Kids Fund	451,082	-	451,082
Other programs	2,211,351	-	2,211,351
Total Program Services	6,968,432	-	6,968,432
Management and general	966,187	-	966,187
Fundraising	919,099	-	919,099
Total Expenses Including Direct Support Payments	8,853,718	-	8,853,718
Change in Net Assets	1,278,755	540,760	1,819,515
Net Assets, beginning of year	(2,254,559)	22,882,058	20,627,499
Net Assets (Deficit), end of year	$ (975,804)	$ 23,422,818	$ 22,447,014

See accompanying notes to the financial statements.

Jackson Health Foundation, Inc.

Statement of Functional Expenses

(With Summarized Comparative Totals for the Year Ended September 30, 2022)

	Program Services				Supportive Services			
Year ended September 30,	Jackson Health System	International Kids Fund	Other Programs	Total Programs	Management and General	Fundraising	Total 2023	Total 2022
Salaries and Benefits:								
Salaries	$ 219,645	$ 219,645	$ 615,598	$ 1,054,888	$ 572,261	$ 458,025	$ 2,085,174	$ 1,810,840
Payroll taxes and benefits	40,897	40,897	113,806	195,600	110,110	68,314	374,024	336,034
Total Salaries and Benefits	260,542	260,542	729,404	1,250,488	682,371	526,339	2,459,198	2,146,874
Auto expenses	-	-	5,424	5,424	1,013	18,504	24,941	14,447
Bank charges and ADP fees	9,156	6,180	3,733	19,069	11,768	16,760	47,597	40,175
Cleaning and janitorial	-	-	-	-	20,400	-	20,400	20,400
Computer services	8,629	8,629	17,258	34,516	44,224	29,123	107,863	198,412
Depreciation and amortization	14,200	14,200	39,754	68,154	37,190	28,686	134,030	135,806
Donor recognition and cultivation	8,640	191	421,468	430,299	-	5,154	435,453	289,986
Insurance	4,201	4,201	11,762	20,164	11,004	8,488	39,656	34,875
Meetings	-	-	-	-	406	14,715	15,121	35,852
Community sponsorships	48,225	17,000	534,804	600,029	-	28,722	628,751	761,184
Miscellaneous expenses	3,250	3,250	8,800	15,300	16,830	27,146	59,276	49,496
Office expenses	-	-	3,390	3,390	6,461	17,700	27,551	29,859
Postage and courier	-	-	638	638	-	9,276	9,914	12,510
Professional services (Including in-kind expense of $3,750)	8,400	8,400	147,998	164,798	26,265	74,516	265,579	305,438
Direct support (including in-kind expense of $53,699)	1,841,733	257,792	377,688	2,477,213	-	-	2,477,213	3,687,892
Public relations (Including in-kind expense of $638,850)	838,830	394	658,144	1,497,368	-	181,339	1,678,707	932,074
Rent (Including in-kind expense of $142,000)	15,044	15,044	42,118	72,206	44,192	30,392	146,790	145,012
Repairs and maintenance	-	-	16,552	16,552	877	319	17,748	2,414
Telephone	-	-	-	-	2,062	3,699	5,761	4,082
Parking	-	-	-	-	3,183	4,154	7,337	6,930
Total Expenses	$ 3,060,850	$ 595,823	$ 3,018,935	$ 6,675,608	$ 908,246	$ 1,025,032	$ 8,608,886	$ 8,853,718

See accompanying notes to the financial statements.

Jackson Health Foundation, Inc.

Statement of Functional Expenses

	Program Services				Supportive Services		
Year ended September 30, 2022	Jackson Health System	International Kids Fund	Other Programs	Total Programs	Management and General	Fundraising	Total
Salaries and Benefits:							
Salaries	$ 186,823	$ 186,823	$ 535,324	$ 908,970	$ 510,179	$ 391,691	$ 1,810,840
Payroll taxes and benefits	35,014	35,014	98,183	168,211	104,692	63,131	336,034
Total Salaries and Benefits	221,837	221,837	633,507	1,077,181	614,871	454,822	2,146,874
Auto expenses	-	-	65	65	172	14,210	14,447
Bank charges and ADP fees	6,459	5,600	4,143	16,202	7,076	16,897	40,175
Cleaning and janitorial	-	-	-	-	20,400	-	20,400
Computer services	16,031	16,031	32,062	64,124	80,560	53,728	198,412
Depreciation and amortization	14,033	14,033	40,074	68,140	38,895	28,771	135,806
Donor recognition and cultivation	130,000	396	147,065	277,461	-	12,525	289,986
Insurance	3,604	3,604	10,291	17,499	9,988	7,388	34,875
Meetings	-	-	-	-	9,668	26,184	35,852
Community sponsorships	93,250	-	644,289	737,539	-	23,645	761,184
Miscellaneous expenses	2,468	2,468	4,936	9,872	15,280	24,344	49,496
Office expenses	-	-	3,609	3,609	8,703	17,547	29,859
Postage and courier	210	-	1,056	1,266	16	11,228	12,510
Professional services (including in-kind expense of $84,738)	13,133	13,133	100,392	126,658	111,132	67,648	305,438
Direct support (including in-kind expense of $53,316)	3,524,880	159,307	-	3,684,187	-	3,705	3,687,892
Public relations (Including in-kind expense of $60,000)	265,421	-	547,960	813,381	-	118,693	932,074
Rent (Including in-kind expense of $142,000)	14,673	14,673	41,902	71,248	43,681	30,083	145,012
Repairs and maintenance	-	-	-	-	2,414	-	2,414
Telephone	-	-	-	-	954	3,128	4,082
Parking	-	-	-	-	2,377	4,553	6,930
Total Expenses	$ 4,305,999	$ 451,082	$ 2,211,351	$ 6,968,432	$ 966,187	$ 919,099	$ 8,853,718

See accompanying notes to the financial statements.

Jackson Health Foundation, Inc.

Statements of Cash Flows

Years ended September 30,	2023	2022
Cash Flows from Operating Activities:		
Change in Net Assets	$ 1,148,037	$ 1,819,515
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	134,030	135,806
Provision for uncollectible pledges	140,804	660,968
Loss on disposal of assets	2,102	-
Net present value discount on pledges	14,634	1,424,804
Unrealized (gain) loss on investments	(477,460)	1,017,031
Net realized loss on sales of investments	107,859	546,856
Changes in operating assets and liabilities:		
Accounts receivable	(1,028)	6,594
Other current assets	(1,367)	70,908
Pledges receivable	(1,036,206)	(4,816,685)
Accounts payable and accrued expenses	(62,159)	(226,415)
Deferred revenue	118,567	(36,577)
Due to Jackson Health System	-	(2,992,500)
Total Adjustments	(1,060,224)	(4,209,210)
Net Cash Provided by (Used in) Operating Activities	87,813	(2,389,695)
Cash Flows from Investing Activities:		
Additions to property and equipment	(26,086)	(44,609)
Purchases of investments	(1,790,104)	(1,787,778)
Proceeds from sales of investments	2,415,893	2,384,117
Net Cash Provided by Investing Activities	599,703	551,730
Cash Flows from Financing Activities:		
Proceeds from line of credit	-	161,000
Repayments of line of credit	(90,000)	(71,000)
Net Cash (Used in) Provided by Financing Activities	(90,000)	90,000
Net Increase (Decrease) in Cash and Cash Equivalents	597,516	(1,747,965)
Cash and Cash Equivalents, beginning of year	2,337,635	4,085,600
Cash and Cash Equivalents, end of year	$ 2,935,151	$ 2,337,635
Supplemental Disclosure of Cash Flow Information:		
Interest paid	$ 3,384	$ 89
Supplemental Disclosures of Non-Cash Activity:		
Contribution of stocks	$ 78,034	$ 98,618

See accompanying notes to the financial statements.

1. Organization

In 1988, Jackson Health Foundation, Inc. (the "Foundation"), formerly known as Jackson Memorial Foundation, Inc., was formed as a private nonprofit corporation organized and operated exclusively for the purpose of soliciting funds in South Florida from the private and public sector to improve the delivery of health care at Jackson Health System ("JHS"); to support teaching and training programs in health care; to support medical and surgical treatment at JHS; to support instruction and training of personnel in duties of medicine and nursing, and to help maintain, construct, repair and furnish the facilities. The Foundation began operations on January 1, 1989.

The Foundation has a net deficit in net assets without donor restrictions of $3,367,482 as of September 30, 2023 and a change in net assets of $1,148,037 for the year then ended. In order to reduce the net deficit, management of the Foundation will continue fundraising efforts to generate a surplus from net assets without donor restrictions. The Foundation also executed an operating agreement with JHS in October 2023. JHS will cover certain operating expenses of the Foundation.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP). On the statements of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

The classification of the Foundation's net assets and its public support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—with donor restrictions and without donor restrictions—be displayed in the statements of financial position and that the amounts of change in each of those classes of net assets be displayed in the statements of activities. These net asset classes are defined as follows:

> *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, where 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.

The Foundation reports gifts of cash and other assets as restricted assets if they are received with donor stipulations that limit the use of the donated assets. Contributions that are donor-restricted for the purpose of establishing endowment funds are recorded as additions to net assets with donor restrictions.

Gifts of long-lived assets, cash, or other assets used to acquire long-lived assets are reported as additions to net assets with donor restrictions when stipulated by the donor. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds at various financial institutions. The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the Statements of Financial Position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the Statements of Activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Donated securities are recorded at fair value and sold immediately.

Pledges Receivable, Net

Pledges receivable, less a provision for uncollectible amounts, represent uncollected promises and are stated at the estimated present value of the future cash flows using a rate of return appropriate for the expected term of the promise to give at the time initially recognized. The majority of pledges are designated by the donors for the benefit of JHS. Such amounts subject to collection and fundraising costs and administration fees, when applicable, are distributed to JHS as designated by the donor. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Two donors accounted for 63% and 68% of pledges receivable at September 30, 2023 and 2022, respectively.

Property and Equipment, Net

Property and equipment is stated at cost or, if donated, at fair value at the date of donation. Additions and major improvements are capitalized, and repairs and maintenance costs are expensed. When items are retired or otherwise disposed of, the related costs and accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are credited or charged to operations. The Foundation's policy is to capitalize all property and equipment expenditures greater than $500. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets.

Useful lives are as follows:

Office equipment	3 - 7 years
Computer equipment	3 - 5 years
Furniture and fixtures	5 - 7 years
Transportation equipment	5 - 7 years
Leasehold improvements	Shorter of useful life or lease term

Long-Lived Assets

The Foundation reviews its long-lived assets for possible impairment at least annually, and more frequently if circumstances warrant. Impairment is determined to exist when estimated amounts recoverable through future cash flows from operations on an undiscounted basis are less than the long-lived asset carrying values. If a long-lived asset is determined to be impaired, it is written down to its estimated fair value to the extent that the carrying amount exceeds the fair value of the long-lived asset. No write-downs for impairment of long-lived assets were recorded during the years ended September 30, 2023 or 2022.

Revenue Recognition

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Foundation fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received are measured at their fair values and are reported as an increase in net assets. Unconditional promises are recognized at the estimated present value of the future cash flows using a risk-free rate. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as "Net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions. The Foundation received donations from several sources including private individuals, corporations and private foundations.

The Foundation reports transfers of assets under an accounting standard which establishes standards for transactions in which a donor transfers asset to a recipient organization that (a) uses the assets on behalf of or (b) transfers the assets, the return on investment of the assets, or both, to a beneficiary named by the donor.

Since the Foundation exists to raise, hold and invest assets for JHS, the accounting standards require that the Foundation recognize contribution revenue when it receives assets from the donor. All the public support received under the various programs for distribution to JHS is classified as donor restricted support. In addition, all public support received under the special fundraising events for distribution to JHS is classified as donor restricted support. These restricted contributions are subject to an administrative assessment of 15%, unless agreed to otherwise.

During the years ended September 30, 2023 and 2022, two donors and one donor accounted for 22% and 41%, respectively, of total public support.

In-Kind Revenue and Expense

Board members and volunteers have donated significant time to the Foundation's activities. However, the value of these services is not reflected in the accompanying financial statements, since such services are not the type that would qualify for recognition.

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. During the year ended September 30, 2015, the Foundation received an in-kind gift valued at $600,000 for marketing services to be performed over 10 years. Related to this gift, the Foundation recorded $60,000 in-kind revenue and expense for marketing services received during each of the years ended September 30, 2023 and 2022.

The Foundation leases office space from the Public Health Trust with annual rent of $1. The donated use of facilities is recorded in the accompanying financial statements at fair value (Note 9).

Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management estimates. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses such as depreciation and amortization, audit fees, legal fees, insurance, rent and computer services, are allocated among program and supporting services based on estimated time used. Personnel expenses are allocated on the basis of estimated time and efforts.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") as a charitable organization whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. The Foundation currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded as of September 30, 2023 and 2022.

The Foundation recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. No uncertain tax positions were identified by the Foundation as of September 30, 2023 and 2022.

The U.S. federal jurisdiction is the major tax jurisdictions where the Foundation files income tax returns. The Foundation is generally no longer subject to U.S. Federal or State examinations by tax authorities for fiscal years before 2020.

Summarized Comparative Totals

Certain financial statements for the year ended September 30, 2023 include prior year summarized comparative information in total, however the detail of the prior year information is presented separately in the financial statements.

Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board ("FASB") issued an Accounting Standard Update ("ASU") which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Foundation adopted this pronouncement during the year ended September 30, 2022. As a result of the adoption, the Foundation segregated "contributions of nonfinancial assets" on the statements of activities and added a related disclosure in Note 9.

Adopted Accounting Standard

Lease Accounting

In February 2016, the FASB issued an ASU which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The Foundation does not anticipate the update having a material effect on its results of operations or cash flows, though such an effect is possible. The adoption of this standard did not have a material effect on the Foundation's financial statements.

Recent Accounting Pronouncement

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13 which will replace the current incurred loss impairment methodology in U.S. GAAP with a methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision-useful information about expected credit losses. Also, the FASB has issued amendments to the update with transition relief intended to improve comparability of financial statement information for some entities, to decrease costs for some financial statement preparers, and to clarify some disclosures. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018 including interim periods in those fiscal years. The Foundation is currently evaluating the effect the update will have on its financial statements.

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

Subsequent Events

The Foundation has evaluated subsequent events through January 9, 2024, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustments to the financial statements or disclosures stated herein.

3. Liquidity Management and Availability of Resources

The Foundation maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. In managing its liquidity needs, the Foundation monitors its cash balances and also ensures spending is within budget guidelines. Additionally, the Foundation has a line of credit available with borrowing capacity of up to $1,000,000, which can be used to meet general expenditures (Note 10).

The summary below reflects the Foundation's financial assets available within one year as of September 30, 2023 and 2022, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions.

September 30,	2023	2022
Cash and cash equivalents	$ 2,935,151	$ 2,337,635
Accounts receivable	2,280	1,252
Pledges receivable, net	16,400,411	15,519,643
Total Financial Assets	19,337,842	17,858,530
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(13,707,638)	(14,166,423)
Total Financial Assets Not Available to be Used Within One Year	(13,707,638)	(14,166,423)
Financial Assets Available to Meet General Expenditures Within One Year	$ 5,630,204	$ 3,692,107

The Foundation has pledges receivable not included in the table above since these will not be collected within the next year. Additionally, investments are not included in the table above since they will not be available for use within the next year. The Foundation's investment manager invests largely in equity securities and mutual funds which are considered highly liquid as there are no preventative lockups or restrictions and can be readily liquidated.

4. Transactions with Jackson Health System

JHS is the operational and trade identity for the Public Health Trust, an agency and instrumentality of Miami-Dade County government which has been delegated broad authority by the Board of County Commissioners and County Mayor to provide hospital and other healthcare services in Miami-Dade County. The Foundation supports certain projects at JHS, which require the funding of needs that are the separate financial responsibility of the respective medical partners.

The Foundation made direct donations to JHS of approximately $2,100,000 and $3,700,000 during the years ended September 30, 2023 and 2022, respectively.

5. Pledges Receivable, Net

Pledges receivable, net consists of the following as of:

September 30,	2023	2022
Pledges Due in:		
Less than one year	$ 6,386,674	$ 4,001,399
One to five years	13,740,551	15,516,788
More than five years	914,887	507,785
Total	21,042,112	20,025,972
Less: Allowance for doubtful accounts	(2,525,054)	(2,404,316)
Less: Discount on long-term pledges	(2,116,647)	(2,102,013)
Pledges receivable, net	$ 16,400,411	$ 15,519,643

The following represents the expected payment schedule of pledges receivable for the:

Years ended September 30,	
2024	$ 6,386,674
2025	4,363,851
2026	8,188,037
2027	783,554
2028	405,109
Thereafter	914,887
	$ 21,042,112

The discounts on those amounts are computed using rates ranging from 3.97% to 4.6% for the years ended September 30, 2023 and 2022.

6. Property and Equipment, Net

Property and equipment, net consists of the following at:

September 30,	2023	2022
Office equipment	$ 23,865	$ 19,298
Computer equipment	25,129	65,843
Furniture and fixtures	140,922	140,922
Transportation equipment	28,101	12,484
Leasehold improvements	371,002	371,001
	589,019	609,548
Less: accumulated depreciation and amortization	(480,412)	(390,896)
	$ 108,607	$ 218,652

Depreciation and amortization expense was $134,030 and $135,806 during the years ended September 30, 2023 and 2022, respectively.

7. Investments

Investments consist of the following at:

September 30,	2023	2022
Equity securities	$ 1,543,762	$ 1,672,700
Corporate/government bonds and ETF	1,627,263	1,616,385
Real estate securities	66,597	69,723
Mutual funds	1,097,809	1,232,811
	$ 4,335,431	$ 4,591,619

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Donors designate any income earned on investments to be utilized to support current operations or be retained to support future programs. The following summarizes the investment return as shown in the Statements of Activities for:

Years ended September 30,	2023	2022
Interest income and dividends	$ 203,212	$ 270,286
Net realized and unrealized gain (loss) on investments	369,601	(1,563,887)
Investment fees	(35,274)	(56,915)
	$ 537,539	$ (1,350,516)

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Foundation's investment balances and the amounts reported in the Statements of Financial Position.

8. Fair Value Measurements

Accounting Standards Codification (ASC) 820, Fair Value Measurement, establishes a three-level hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as the Foundation would use in pricing the Foundation's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Foundation are traded. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

The three levels of the fair value hierarchy are described as follows:

- Level 1 - Valuations are based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples include U.S. Treasury securities, certain common stock, mutual funds, and cash and cash equivalents.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to the overall 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.

Investment income is recognized when earned and consists of interest and dividends. Purchases and sales are recorded on a trade-date basis.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023 and 2022.

Equity Securities: Valued at the closing price reported in the active market in which the individual securities are traded.

Corporate/Government Bonds and ETFs: Valued at the closing price reported in the active market in which the security is traded.

Mutual Funds and Real Estate Securities: Valued at the closing price reported in the active market in which the security is traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at September 30, 2023 for each of the fair value hierarchy levels:

		Fair Value Measurements at Reporting Date Using:		
Description	Fair Value September 30, 2023	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Equity securities	$ 1,543,762	$ 1,543,762	$ -	$ -
Corporate/government bonds and ETF	1,627,263	1,627,263	-	-
Real estate securities	66,597	66,597	-	-
Mutual funds	1,097,809	1,097,809	-	-
	$ 4,335,431	$ 4,335,431	$ -	$ -

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at September 30, 2022 for each of the fair value hierarchy levels:

		Fair Value Measurements at Reporting Date Using:		
Description	Fair Value September 30, 2022	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Equity securities	$ 1,672,700	$ 1,672,700	$ -	$ -
Corporate/government bonds and ETF	1,616,385	1,616,385	-	-
Real estate securities	69,723	69,723	-	-
Mutual funds	1,232,811	1,232,811	-	-
	$ 4,591,619	$ 4,591,619	$ -	$ -

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9. Contributions of Nonfinancial Assets

Contributed nonfinancial assets during the years ended September 30, 2023 and 2022 were as follows:

Nonfinancial Asset	Revenue Recognized September 30, 2023	Revenue Recognized September 30, 2022	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques/Inputs
Legal services	$ -	$ 84,738	Management and General	No donor restrictions	Estimated fair market value based on legal invoices received to support time spent on organizational matters
Marketing and promotional services	60,000	60,000	Management and General	No donor restrictions	Based on value provided by entities who provided marketing and promotional services
Donated use of facilities	142,000	142,000	Management and General	No donor restrictions	Based on estimated fair market value based on comparable square footage rate for office space at lease inception
Donated goods	54,199	53,316	Holtz Children's Hospital, Child Life, and Breast Center Programs	No donor restrictions	Based on estimated fair market value of gift cards, toys, boxed lunches and other miscellaneous items based on open market comparative modeling
Media advertising and promotional services	578,350	-	Jackson Health System	No donor restrictions	Based on value provided by entities who placed the media with television platform based on time and length of airing based on readily determinable values in the media space.
Specialty services	3,750	-	Management and General	No donor restrictions	Based on estimated value of specialty Human Resources services provided for team building workshop.
Total contibutions of nonfinancial assets excluding contributions for special events	838,299	340,054			
Donated goods - special events	44,794	10,018	Guardian Angels Luncheon; Mind Your Health Community Event	No donor restrictions	Based on estimated fair market value based on invoices received to support value of prizes for event and rental of tent.
Marketing services - special events	78,693	82,635	Gala	No donor restrictions	Based on estimated fair market value based on invoices received to support time spent of filming at studio, catering, liquor and wine, and grand prize for event
	$ 961,786	$ 432,707			

10. Line of Credit

In April 2016, the Foundation entered into a $1,000,000 revolving line of credit with a third-party financial institution. The revolving line of credit is renewable annually. The line of credit is unsecured and the entire obligation is due and payable on demand. The line of credit has a variable interest rate based on the Wall Street Journal prime rate and cannot be less than 3.50%. At September 30, 2023 and 2022, the interest rate on the line of credit was 8% and 6.25%, respectively. At September 30, 2023 and 2022, the amount available on the line of credit is $1,000,000 and $910,000, respectively. There was no outstanding balance on the line of credit at September 30, 2023. There was an outstanding balance of $90,000 on the line of credit at September 30, 2022. Interest expense for the year ended September 30, 2023 and 2022 was $3,384 and $89, respectively.

11. Net Assets

Net assets without donor restrictions are used to support the operating activities of the Foundation. The major program activities are described in Note 1.

Net Assets with Donor Restrictions

The Foundation's net assets with donor restrictions consist of assets which have been restricted by the donor either for specific operating purposes, the general use of JHS, and various programs for distribution to JHS or the Foundation projects that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations. The residual balance or funds earned in excess of the expenses including direct support payments as stated above inures to the benefit of JHS.

The following is a summary of net assets with donor restrictions as of:

September 30,	**2023**	2022
Restricted by donors due to:		
Purpose and time restrictions:		
Guardian Angels	$ **325,885**	$ 203,569
Holtz Children's Program	**3,853,449**	3,808,636
International Kids Fund	**1,093,905**	1,471,081
JHS Capital Campaign	**16,110,615**	12,811,607
Other programs and projects	**5,578,679**	5,127,925
	$ **26,962,533**	$ 23,422,818

Interfund Receivable / Payable

At September 30, 2023 and 2022, net assets without donor restrictions had an interfund payable balance of $4,521,888 and $2,898,594, respectively, due to net assets with donor restrictions as a result of contributions with donor restrictions that were deposited into an unrestricted depository account. These funds have donor restrictions; therefore, are due to net assets with donor restrictions. There are various pledges that are time restricted which will be used to offset this payable once the restriction expires.

12. Endowment

An endowment was established by the Foundation for the International Kids Fund using donor restricted gifts. The original corpus of the endowment was $1,250,000 and its purpose is to support needs of the children's hospital. The Foundation has received approval from the donor over the years to release corpus funds from restriction for certain specific needs of the children's hospital. As of September 30, 2023 and 2022, the corpus of the endowment is $150,000 and $350,000, respectively. During the years ended September 30, 2023 and 2022, the Foundation received approval from the donor to release $250,000 and $350,000, respectively.

A second endowment was established by a gift from one donor and the gift was classified as net assets with donor restrictions. The donor stipulated that the principal may be expended upon the occurrence of a certain event and at the discretion of the board. No restrictions were placed on the investment earnings generated by the corpus and, therefore, investment earnings are classified as net assets without donor restrictions. During the year ended September 30, 2022, at the Board's discretion, the Foundation released the restrictions given that the event had already occurred. The Board of the Foundation then designated the amount as board designated endowment assets.

During the year ended September 30, 2022, the board designated additional funds of approximately $762,000 to be part of the endowment. There were no additional designations during the year ended September 30, 2023. The board designated endowment is to be used in benefit of low income patients at JHS.

As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Foundation has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

In accordance with the FUPMIFA, 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 purposes of the Foundation and the donor-restricted endowment fund;

(3) General economic conditions;

(4) The possible effect of inflation and deflation;

(5) The expected total return from income and the appreciation of investments;

(6) Other resources of the Foundation;

(7) The investment policies of the Foundation.

Endowment assets are as follows as of September 30:

	2023	2022
Investments	$ 1,987,008	$ 2,254,709
Total	$ 1,987,008	$ 2,254,709

Summary of Endowment Net Assets at September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gift	$ -	$ 100,000	$ 100,000
Accumulated earnings on restricted gift not subject to donor restrictions	-	789,200	789,200
Board designated endowment	1,097,808	-	1,097,808
Total Endowment Net Assets	$ 1,097,808	$ 889,200	$ 1,987,008

Summary of Endowment Net Assets at September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gift	$ -	$ 350,000	$ 350,000
Accumulated earnings on restricted gift not subject to donor restrictions	-	671,897	671,897
Board designated endowment	1,232,812	-	1,232,812
Total Endowment Net Assets	$ 1,232,812	$ 1,021,897	$ 2,254,709

Changes in endowment net assets during the year ended September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	$ 1,232,812	$ 1,021,897	$ 2,254,709
Investment gain, net	114,996	117,303	232,299
Amounts appropriated for expenditure	(250,000)	-	(250,000)
Amounts released from restriction	-	(250,000)	(250,000)
Endowment Net Assets, ending	$ 1,097,808	$ 889,200	$ 1,987,008

Changes in endowment net assets during the year ended September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	$ 121,320	$ 2,158,313	$ 2,279,633
Investment loss, net	(97,411)	(227,361)	(324,772)
Amounts appropriated for expenditure	(53,524)	(59,055)	(112,579)
Amounts released from restriction	-	(850,000)	(850,000)
Additions to board designated endowment	1,262,427	-	1,262,427
Endowment Net Assets, ending	$ 1,232,812	$ 1,021,897	$ 2,254,709

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the FUPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no deficiencies as of September 30, 2023 and 2022.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets on an inflation adjusted basis.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the yield results of the S&P 500 while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide a rate of return in excess of the original restricted principal. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives on an inflation adjusted basis with moderate volatility, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a spending policy of appropriating for distribution each year an amount based on the investment income of the endowment. In establishing this policy, the availability of distributions is entirely dependent on the short-term actual investment returns.

13. Retirement Plans

The Foundation sponsored a defined contribution plan (the "Plan") which qualified under Section 401(k) of the IRC. All Foundation employees were eligible to participate after the 90 days employment probation period. The Foundation's contributions were equal to 100% of the employee's voluntary contributions, up to 4% of the employee's gross annual salary. The Plan was terminated on July 31, 2022 and the Foundation's employees were transferred to the Jackson Health System's mandatory pension plan (the "JHS Plan"); which qualifies under Section 401(k) of the IRC. Under the JHS Plan, employees are deducted 3% of their gross annual salary and the Foundation contributes 3.52% of the employees' gross annual salary. Employees are automatically enrolled in the pension plan upon commencing employment at the Foundation. Employees are fully vested after 6 years of service and are always 100% vested in their mandatory contributions. In addition, employees have the option to join a 403(b) or a 457(b) plan provided by Jackson Health System. For the years ended September 30, 2023 and 2022, the Foundation recorded $58,609 and $54,166, respectively, in expenses related to the Plan and the JHS Plan.

14. Risks and Uncertainties

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of temporary cash, cash equivalents, investments and pledges receivable. The Foundation places its temporary cash and cash equivalents with high quality financial institutions. At times, cash deposits may be in excess of the Federal Deposit Insurance Corporation insured limits. In addition, a significant portion of the Foundation's investments are maintained in U.S. government obligations and corporate bond and marketable equity securities. The Foundation monitors the credit risk related to the portfolio of investments on a periodic basis. Concentrations of credit risk with respect to pledges receivable are limited due to the Foundation primarily receiving pledges from individuals, foundations and corporations with substantial means.

15. Commitments and Contingencies

The Foundation is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Foundation's financial statements.