



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants



Financial Statements

For the Years Ended December 31, 2020 and 2019

515 West Harris Avenue • Post Office Box 71 • San Angelo, Texas 76902-0071

Phone (325) 653-6854 • Fax (325) 655-5857 • www.armstrongbackus.com

SAN ANGELO HEALTH FOUNDATION

Financial Statements

For the Years Ended December 31, 2020 and 2019

Table of Contents

Financial Statements:

Independent Auditors' Report.....	3-4
Statements of Financial Position	5-6
Statements of Activities.....	7
Statements of Functional Expenses	8-9
Statements of Cash Flows.....	10
Notes to the Financial Statements.....	11-17

Supplementary Information:

Schedule of Investment Securities.....	19
Schedule of Cash Activity for Charitable Purposes	20





ARMSTRONG, BACKUS & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Trustees
San Angelo Health Foundation
San Angelo, Texas

Report of the Financial Statements

We have audited the accompanying financial statements of San Angelo Health Foundation (the Foundation) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibilities for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Angelo Health Foundation, as of December 31, 2020 and 2019, and the results of its operations, its functional expenses, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

An independently owned member
RSM US Alliance

RSM

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Investment Securities and Schedule of Cash Activity for Charitable Purposes on pages 19 and 20 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation the financial statements as a whole.

San Angelo, Texas
April 28, 2021

Armstrong, Backus & Co., L.L.P.



SAN ANGELO HEALTH FOUNDATION

Statements of Financial Position

As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 425,848	\$ 149,278
Accrued Income	41,963	53,825
Prepaid Expenses	21,363	5,250
	<hr/>	<hr/>
Total Current Assets	\$ 489,174	\$ 208,353
	<hr/>	<hr/>
Investments:		
Investment Securities, at Market	\$ 57,947,822	\$ 55,399,063
	<hr/>	<hr/>
Total Investments	\$ 57,947,822	\$ 55,399,063
	<hr/>	<hr/>
Fixed Assets:		
Land	\$ 1,258,714	\$ 1,258,714
Building and Improvements	4,442,256	4,442,256
Furniture, Fixtures, and Equipment	247,981	243,226
	<hr/>	<hr/>
	\$ 5,948,951	\$ 5,944,196
Less: Accumulated Depreciation	(2,155,707)	(2,037,258)
	<hr/>	<hr/>
Net Fixed Assets	\$ 3,793,244	\$ 3,906,938
	<hr/>	<hr/>
TOTAL ASSETS	\$ 62,230,240	\$ 59,514,354
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statements of Financial Position

As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 394,287	\$ 106,777
Excise Tax Payable	60,000	80,000
Grants Payable	1,399,560	1,091,908
	<hr/>	<hr/>
Total Current Liabilities	\$ 1,853,847	\$ 1,278,685
	<hr/>	<hr/>
Long-Term Liabilities:		
Grants Payable	\$ 149,170	\$ 81,218
	<hr/>	<hr/>
Total Long-Term Liabilities	\$ 149,170	\$ 81,218
	<hr/>	<hr/>
Total Liabilities	\$ 2,003,017	\$ 1,359,903
	<hr/>	<hr/>
Net Assets:		
Without Donor Restrictions	\$ 60,227,223	\$ 58,154,451
	<hr/>	<hr/>
Total Net Assets	\$ 60,227,223	\$ 58,154,451
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 62,230,240</u></u>	<u><u>\$ 59,514,354</u></u>

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statements of Activities

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues and Gains:		
Dividend Income	\$ 270,747	\$ 488,127
Interest Income	172,968	200,767
Other Income	450	22,951
Rent Income	95,757	-0-
Royalty Income	33,967	51,257
Net Investment Income	5,309,299	9,594,592
	<hr/>	<hr/>
Total Revenues and Gains	\$ 5,883,188	\$ 10,357,694
	<hr/>	<hr/>
Expenses and Losses:		
Investment Expenses	\$ 77,918	\$ 87,308
Charitable Expenses	3,658,558	3,938,306
Management and General	73,940	200,544
	<hr/>	<hr/>
Total Functional Expenses	\$ 3,810,416	\$ 4,226,158
	<hr/>	<hr/>
Total Expenses and Losses	\$ 3,810,416	\$ 4,226,158
	<hr/>	<hr/>
Change in Net Assets	\$ 2,072,772	\$ 6,131,536
	<hr/>	<hr/>
Net Assets, Beginning of Year	58,154,451	52,022,915
	<hr/>	<hr/>
Net Assets, End of Year	\$ 60,227,223	\$ 58,154,451
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statement of Functional Expenses

For the Year Ended December 31, 2020

	<u>Investment Expenses</u>	<u>Charitable Expenses</u>	<u>Management and General</u>	<u>Total Expenses</u>
Depreciation	\$ 8,291	\$ -0-	\$ 110,158	\$ 118,449
Disbursements for Charitable Purposes	-0-	3,228,232	-0-	3,228,232
Dues and Subscriptions	100	1,320	-0-	1,420
Education	150	1,984	-0-	2,134
Excise Tax	-0-	-0-	(36,218)	(36,218)
Insurance	12,978	12,978	-0-	25,956
Legal, Audit, and Accounting Fees	18,825	18,825	-0-	37,650
Office Supplies, Postage, and Printing	234	11,457	-0-	11,691
Other Expenses	4,719	62,698	-0-	67,417
Property Taxes	2,629	-0-	-0-	2,629
Repairs and Maintenance	5,826	-0-	-0-	5,826
Salaries, Payroll Taxes, and Benefits	22,430	297,999	-0-	320,429
Utilities	1,736	23,065	-0-	24,801
	<u>\$ 77,918</u>	<u>\$ 3,658,558</u>	<u>\$ 73,940</u>	<u>\$ 3,810,416</u>

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statement of Functional Expenses

For the Year Ended December 31, 2019

	<u>Investment Expenses</u>	<u>Charitable Expenses</u>	<u>Management and General</u>	<u>Total Expenses</u>
Depreciation	\$ 8,321	\$ -0-	\$ 110,544	\$ 118,865
Disbursements for Charitable Purposes	-0-	3,503,765	-0-	3,503,765
Dues and Subscriptions	96	1,269	-0-	1,365
Education	2,073	27,549	-0-	29,622
Excise Tax	-0-	-0-	90,000	90,000
Insurance	12,211	12,211	-0-	24,422
Legal, Audit, and Accounting Fees	22,350	22,350	-0-	44,700
Office Supplies, Postage, and Printing	127	6,218	-0-	6,345
Other Expenses	2,695	35,806	-0-	38,501
Property Taxes	3,699	-0-	-0-	3,699
Repairs and Maintenance	10,962	-0-	-0-	10,962
Salaries, Payroll Taxes, and Benefits	22,734	302,034	-0-	324,768
Utilities	2,040	27,104	-0-	29,144
	<u>\$ 87,308</u>	<u>\$ 3,938,306</u>	<u>\$ 200,544</u>	<u>\$ 4,226,158</u>

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Cash Received from Contributions and Fundraising	\$ 450	\$ 22,951
Cash Received from Investments	236,323	1,232,356
Cash Received for Interest	172,968	200,767
Cash Received for Rent	95,757	-0-
Cash Received for Insurance Proceeds	281,722	-0-
Cash Paid for Charitable Purposes	(2,852,628)	(2,734,842)
Cash Paid for Salaries and Benefits	(320,429)	(324,768)
Cash Paid for Other Operating Expenses	(151,002)	(275,131)
Cash Paid for Taxes	(22,629)	76,301
	<u>(\$ 2,559,468)</u>	<u>(\$ 1,802,366)</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(\$ 4,755)	\$ -0-
Purchase of Investments	(42,283,944)	(34,942,275)
Proceeds from Sale of Investments	45,124,737	36,744,049
	<u>\$ 2,836,038</u>	<u>\$ 1,801,774</u>
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash	\$ 276,570	(\$ 592)
Cash, Beginning of the Year	149,278	149,870
Cash, End of Year	<u>\$ 425,848</u>	<u>\$ 149,278</u>
Reconciliation of Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities		
Increase (Decrease) in Net Assets	\$ 2,072,772	\$ 6,131,536
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	\$ 118,449	\$ 118,865
Unrealized (Gain) Loss on Long-Term Investments	(5,421,290)	(7,612,970)
(Gain) Loss on Sale of Investments	31,737	(1,267,687)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accrued Income	11,862	(20,963)
(Increase) Decrease in Prepaid Expenses	(16,113)	(5,250)
Increase (Decrease) in Accounts Payable	287,511	5,180
Increase (Decrease) in Excise Tax Payable	(20,000)	80,000
Increase (Decrease) in Grants Payable	375,604	768,923
Total Adjustments	<u>(\$ 4,632,240)</u>	<u>(\$ 7,933,902)</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$ 2,559,468)</u>	<u>(\$ 1,802,366)</u>

The accompanying notes are an integral part of these statements.

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the San Angelo Health Foundation (the Foundation) have been prepared on the accrual basis of accounting. The significant accounting policies followed by the Foundation are described below.

Organization – The Foundation is a nonprofit corporation qualified as a private foundation as defined in section 509(a) of the Internal Revenue Code. The Foundation’s mission is to enhance the quality of life for the people of the San Angelo, Texas area. The Foundation’s activities include, but are not limited to, the operation of programs to provide charitable assistance, training, and educational support for the promotion of general physical and mental health, principally for the benefit of the general population of the San Angelo, Texas area.

Tax Status – The Foundation has been determined by the Internal Revenue Service to be a private foundation under Section 509(a) of the Internal Revenue Code.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments – Investment purchases are recorded at cost, or if donated, at the fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment return/(loss) is reported in the Statements of Activities and consists of realized and unrealized capital gains and losses, less external and direct internal investment expenses. Foundation investments are classified as non-current. Marketable debt and equity securities are revalued at the end of each year to reflect the current market value. The cumulative total of this revaluation is reported in the Statements of Activities as unrealized gain (loss) on investments.

Fixed Assets – Fixed assets are recorded at their cost. Depreciation of furniture, fixtures, and equipment is provided using the straight-line method over the estimated useful lives of the assets, which is generally five years. Building and improvements are recorded at cost and are being depreciated over periods ranging from 10 to 39.5 years on the straight-line basis.

Donations of fixed assets are recorded as support at their estimated fair value as of the date of donation. The estimated fair value of donated fixed assets represents the cost basis of the donated assets that is subject to depreciation. Maintenance and repair expenditures are expensed as incurred.

Promises to Give – Charitable expenses are recognized when the Foundation makes a promise to give to the donee that is, in substance, without donor restriction. Promises to give that are subject to certain future conditions or actions, on the part of the donee, are reported as contributions expense in the fiscal year in which the conditions are met. Restrictions on the Foundation’s with donor restriction net assets may be met when the Foundation makes grants for certain qualifying purposes. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets.

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2020 and 2019

Net Assets – The Foundation has adopted the Financial Accounting Standards Board (FASB) Codification 958, Not-for-Profit Entities (formerly Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Foundations*). FASB 958 requires the Foundation to classify its net assets based on the existence or absence of donor-imposed restrictions. These classifications of net assets are described as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Fair Value of Financial Instruments – The fair value of investments is based on quoted market prices, if available, or estimated using quoted prices for similar securities.

The fair value of future commitments is based on the present value of the commitment from the grant date. Generally, the time delay between the grant date and the date of funding is relatively short, and accordingly, a present value discount of the commitment amount is not material to the financial statements. The carrying values for cash equivalents, accounts payable, and accrued expenses approximate fair values.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue and Revenue Recognition – The Foundation has adopted Accounting Standards Update (ASU) NO. 2014-19, *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting.

Analysis of various provisions of the standard resulted in no significant changes in the way the Foundation recognized revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis.

The Foundation recognized contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, 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.

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE 2: INVESTMENT SECURITIES

Fair value and cost of investment securities at December 31, 2020 and 2019 are as follows:

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Institutional Funds	\$ 57,947,822	\$ 49,663,755	\$ 55,399,063	\$ 52,536,287
Total Investment Securities	<u>\$ 57,947,822</u>	<u>\$ 49,663,755</u>	<u>\$ 55,399,063</u>	<u>\$ 52,536,287</u>

NOTE 3: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2020	2019
Cash and Cash Equivalents	\$ 425,848	\$ 149,278
	<u>\$ 425,848</u>	<u>\$ 149,278</u>

NOTE 4: FEDERAL EXCISE AND INCOME TAXES

The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. In accordance with provisions of the Tax Reform Act of 1969 (the Act), the Foundation is subject to an excise tax on net investment income, including realized gains as defined in the Act. The excise tax expense for the years ended December 31, 2020 and 2019 totaled (\$36,218) and \$90,000, respectively.

The Foundation is required to make qualifying distributions (as defined in the Internal Revenue Code of 1986) (IRC) equal to its minimum investment return, as defined in the IRC. Management believes that these distribution requirements will be met in the coming year.

In accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*, management has evaluated the Foundation's tax positions and concluded that the Foundation has taken no uncertain tax positions that required adjustment to the financial statements to comply with the provisions of this guidance. With a few exceptions, the Foundation is no longer subject to examination by the Internal Revenue Service for years before 2017.

NOTE 5: COMMITMENTS

As of December 31, 2020, the Foundation had outstanding conditional commitments to various qualified charitable organizations not required to be paid by the Foundation until specific conditions are fulfilled by the grantees and, therefore are not accrued in the accompanying financial statements. Unconditional commitments are those that have been approved, but not paid, prior to December 31, 2020 and do not require the grantee to meet any additional stipulations set forth by the Foundation. The commitments outstanding at December 31, 2020 are as follows:

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2020 and 2019

Organization	Conditional	Unconditional
Boys & Girls Club	\$ -0-	\$ 50,000
Concho Valley Council of Governments	-0-	99,679
Concho Valley PAWS	-0-	100,000
Galilee Community Development Corp.	-0-	300,000
House of Faith	-0-	95,195
Menard County Hospital District	110,000	-0-
San Angelo Area Foundation	50,000	-0-
San Angelo Diabetes Coalition	-0-	203,856
San Angelo Stock Show & Rodeo	-0-	25,000
Sterling County VFD	50,000	-0-
West Texas Counseling & Guidance	-0-	650,000
Young Life	-0-	25,000
Total Commitments	<u>\$ 210,000</u>	<u>\$ 1,548,730</u>

The commitments outstanding at December 31, 2019 are as follows:

Organization	Conditional	Unconditional
Ballet San Angelo	\$ -0-	\$ 19,305
House of Faith	-0-	95,195
Downtown San Angelo	40,000	-0-
Institute of Cognitive Development	-0-	58,626
Wall Independent School District	25,000	-0-
West Texas Counseling and Guidance	650,000	-0-
West Texas Rehabilitation Center	-0-	1,000,000
YMCA of San Angelo	750,000	-0-
Total Commitments	<u>\$ 1,465,000</u>	<u>\$ 1,173,126</u>

The liability for commitments payable and maturities thereof at December 31, 2020 and 2019 are as follows:

	2020	2019
Total Commitments	<u>\$ 1,548,730</u>	<u>\$ 1,173,126</u>
Amounts Due In:		
Less than One Year	\$ 1,399,560	\$ 1,091,908
One to Five Years	149,170	81,218
More than Five Years	-0-	-0-
Total Commitments	<u>\$ 1,548,730</u>	<u>\$ 1,173,126</u>

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE 6: LEASE AGREEMENT

In accordance with the terms of the Agreement for Construction and Operation of a Multipurpose Building between the City of San Angelo, San Angelo Chamber of Commerce, and the Foundation; the Foundation has entered into a lease agreement, as a lessor with the San Angelo Chamber of Commerce, for approximately 6,792 square feet of space in the Visitor's Center building. The term of the lease is twenty-five years, and it provides that the Chamber is not obligated for any rent for the leased premises. The lease agreement specifies that the Chamber initially will pay \$1,000 per month into a fund to be used for maintenance and/or improvements to the leased premises. Beginning in January 2009, the Chamber's contribution to the maintenance fund was reduced to \$500 per month for the remainder of the lease. During 2020, the Chamber and the Foundation contributed \$1,000 per month into the maintenance fund. Included in accounts payable and accrued expenses in the accompanying Statements of Financial Position is \$42,028 and \$33,851, respectively, due to the Chamber of Commerce for their portion of the maintenance funds held in cash at December 31, 2020 and 2019.

NOTE 7: PENSION PLAN

The Foundation sponsors a defined contribution pension plan covering all its employees. Contributions to the plan are at the discretion of the Board of Directors. During 2020 and 2019, contributions to the plan totaled \$20,307 and \$20,680, respectively.

NOTE 8: CONCENTRATION OF CREDIT RISK

The Foundation maintains interest-bearing cash accounts at a financial institution that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2020 and 2019, the cash accounts held by the Foundation exceeded and did not exceed Federal Deposit Insurance Corporation coverage, respectively.

NOTE 9: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Codification 820, Fair Value Measurements and Disclosures (formerly SFAS No. 157, *Fair Value Measurements*), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2020 and 2019

- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable or significant and insignificant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Certificate of Deposits, Mutual Funds, Money Market Funds, and Exchange Traded Funds: Valued at net asset value ("NAV") of shares held by the Foundation at year end.

Common Stocks, International Bonds, and U.S. Government Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the 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 following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020 and 2019:

Assets at Fair Value as of December 31, 2020				
	Level 1	Level 2	Level 3	Total
Institutional Funds	\$ 57,947,822	\$ -0-	\$ -0-	\$ 57,947,822
	\$ 57,947,822	\$ -0-	\$ -0-	\$ 57,947,822
Assets at Fair Value as of December 31, 2019				
	Level 1	Level 2	Level 3	Total
Institutional Funds	\$ 54,589,498	\$ 809,565	\$ -0-	\$ 55,399,063
	\$ 54,589,498	\$ 809,565	\$ -0-	\$ 55,399,063

SAN ANGELO HEALTH FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE 10: EVALUATION OF SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through April 28, 2021, the date which the financial statements were available to be issued.

SAN ANGELO HEALTH FOUNDATION

Schedule of Investment Securities

For the Year Ended December 31, 2020

<u>Description</u>	<u>Approximate Market Value at 12/31/20</u>	<u>Cost</u>	<u>Unrealized Gain / (Loss)</u>
<u>INSTITUTIONAL FUNDS</u>			
Money Market	\$ 479,531	\$ 479,531	\$ -0-
Common Trust Fund - Equity	40,992,371	34,247,445	6,744,926
Common Trust Fund - Fixed Income	8,161,412	7,615,226	546,186
Common Trust Fund - Specialty	8,314,508	7,321,553	992,955
Total Investments	<u>\$ 57,947,822</u>	<u>\$ 49,663,755</u>	<u>\$ 8,284,067</u>

See Independent Auditors' Report.

SAN ANGELO HEALTH FOUNDATION

Schedule of Cash Activity for Charitable Purposes

For the Year Ended December 31, 2020

Charity	Unrestricted
Alcohol & Drug Abuse Council for the Concho Valley	\$ 27,000
Angelo Catholic School	25,000
Angelo State University	141,833
Ballet San Angelo	19,305
Boy Scouts of America	62,500
Boys and Girls Club of San Angelo	22,500
Catholic Outreach Services	100,000
Children's Advocacy Center of Tom Green County	2,500
City of San Angelo	183,807
Concho Valley Home for Girls	2,500
Concho Valley Biblical Counseling Center	24,000
Concho Valley Council of Governments	106,260
Downtown San Angelo	40,000
Early Redwine Childcare Center	2,500
Exponent Philanthropy	765
Girl Scouts of Central Texas	56,000
House of Faith	104,000
ICD Family Shelter	2,500
Institute of Cognitive Development, Inc.	58,626
Joseph Thomas Foundation	5,000
Keepers of Hope	25,000
Meals for the Elderly	20,000
MHMR Services for the Concho Valley	301,518
Operation Blue Santa	2,500
Philanthropy Southwest	2,300
Red River Boys and Girls Foundation	150
Salvation Army	4,000
San Angelo Area Foundation	35,000
San Angelo Diabetes Coalition	67,955
San Angelo State School Volunteer Service	4,000
Seaquist Foundation	25,000
Sterling County Senior Citizens Center	25,000
SUR, Inc.	15,470
Texas SW Boy Scout Council	(559)
TGC Library	25,000
United Way	57,663
Wall Independent School District	25,000
West Texas Boys Ranch	43,151
West Texas Rehabilitation Center	1,000,000
West Texas Counseling & Guidance	168,945
Young Life San Angelo	20,000
	<u>\$ 2,853,689</u>

See Independent Auditors' Report.

