Healthcare Foundation Northern Sonoma County

(a California Not-for-Profit Corporation)

Financial Statements
For the Years Ended December 31, 2025 and 2024

Together with Independent Accountants' Review Report

Healthcare Foundation Northern Sonoma County

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DBMCPA

Independent Accountants' Review Report

To the Board of Directors of
Healthcare Foundation Northern Sonoma County
Healdsburg, California

We have reviewed the accompanying financial statements of Healthcare Foundation Northern Sonoma County (a California not-for-profit corporation) (the "Foundation"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Dillwood Burkel + Millar, LLP

Santa Rosa, California
August 12, 2026

Healthcare Foundation Northern Sonoma County

Statements of Financial Position
As of December 31, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash	$ 185,584	$ 250,124
Restricted cash	294,153	47,267
Short-term investments	77,614	31,757
Contributions receivable, current portion, net of allowance for doubtful accounts	317,695	362,892
Total current assets	875,046	692,040
Contributions receivable, net of current portion and discount	370,277	574,093
Property and equipment, net	-	161
Total assets	$ 1,245,323	$ 1,266,294
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 9,802	$ 1,528
Grants payable	-	32,304
Accrued payroll	7,993	-
Accrued vacation	7,204	8,217
Total current liabilities	24,999	42,049
Net assets		
Without donor restriction		
Undesignated	423,169	365,661
Board designated	-	130,000
Total without donor restriction	423,169	495,661
With donor restriction	797,155	728,584
Total net assets	1,220,324	1,224,245
Total liabilities and net assets	$ 1,245,323	$ 1,266,294

The accompanying notes are an integral part of this statement.
See accompanying Independent Accountants' Review Report.

Healthcare Foundation Northern Sonoma County

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and revenue						
Contributions of financial assets	$ 932,120	$ 461,005	$ 1,393,125	$ 417,107	$ 676,722	$ 1,093,829
Contributions of nonfinancial assets	300	-	300	17,864	-	17,864
Special events	45,688	-	45,688	319,024	-	319,024
Management fees	8,640	-	8,640	87,500	-	87,500
Interest income	2,969	-	2,969	1,400	-	1,400
Net assets released from restrictions	392,434	(392,434)	-	544,394	(544,394)	-
Total support and revenue	1,382,151	68,571	1,450,722	1,387,289	132,328	1,519,617
Expenses						
Program	1,062,803	-	1,062,803	1,089,228	-	1,089,228
Management and general	252,174	-	252,174	219,987	-	219,987
Fundraising	139,666	-	139,666	287,560	-	287,560
Total expenses	1,454,643	-	1,454,643	1,596,775	-	1,596,775
Changes in net assets	(72,492)	68,571	(3,921)	(209,486)	132,328	(77,158)
Net assets, beginning of year	495,661	728,584	1,224,245	705,147	596,256	1,301,403
Net assets, end of year	$ 423,169	$ 797,155	$ 1,220,324	$ 495,661	$ 728,584	$ 1,224,245

The accompanying notes are an integral part of this statement.
See accompanying Independent Accountants' Review Report.

Healthcare Foundation Northern Sonoma County

Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program	Management and General	Fundraising	Total
Salaries and wages	$ 156,108	$ 79,328	$ 104,580	$ 340,016
Payroll tax expenses	4,755	15,101	5,549	25,405
Employee benefits	7,556	4,886	17,307	29,749
	168,419	99,315	127,436	395,170
Grants given	761,884	-	-	761,884
Consultants and outside services	91,160	42,652	-	133,812
Computers and software	4,149	31,216	-	35,365
Occupancy	-	31,524	-	31,524
Advertising	19,941	400	390	20,731
Event expenses	3,777	3,637	11,449	18,863
Professional services	-	17,450	-	17,450
Donor cultivation	5,337	2,910	-	8,247
Printing and postage	4,871	2,187	-	7,058
Merchant fees	1,303	4,581	391	6,275
Telephone and internet	-	6,011	-	6,011
Insurance	-	4,245	-	4,245
Other expenses	1,676	2,036	-	3,712
Equipment and supplies	286	2,735	-	3,021
Dues and subscriptions	-	1,114	-	1,114
	1,062,803	252,013	139,666	1,454,482
Depreciation	-	161	-	161
Total Expenses	$ 1,062,803	$ 252,174	$ 139,666	$ 1,454,643

Healthcare Foundation Northern Sonoma County

Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program	Management and General	Fundraising	Total
Salaries and wages	$ 191,028	$ 91,466	$ 123,623	$ 406,117
Payroll tax expenses	15,269	7,311	9,882	32,462
Employee benefits	18,071	8,653	11,695	38,419
	224,368	107,430	145,200	476,998
Grants given	752,194	-	-	752,194
Event expenses	3,023	-	102,258	105,281
Consultants and outside services	73,637	25,266	-	98,903
Computers and software	2,446	8,786	28,106	39,338
Occupancy	-	30,262	-	30,262
Advertising	21,250	-	3,610	24,860
Professional services	-	14,900	-	14,900
Printing and postage	3,280	3,023	7,492	13,795
Donor cultivation	4,692	4,260	63	9,015
Merchant fees	1,212	5,692	784	7,688
Telephone and internet	-	6,834	-	6,834
Insurance	-	4,980	-	4,980
Equipment and supplies	-	4,315	-	4,315
Advocacy workshops	2,432	-	-	2,432
Dues and subscriptions	282	1,667	-	1,949
Other expenses	412	1,126	47	1,585
	1,089,228	218,541	287,560	1,595,329
Depreciation and amortization	-	1,446	-	1,446
Total expenses	$ 1,089,228	$ 219,987	$ 287,560	$ 1,596,775

Healthcare Foundation Northern Sonoma County

Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
	Increase (decrease) in cash	
Cash flows from operating activities		
Changes in net assets	$ (3,921)	$ (77,158)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation of property and equipment	161	1,446
Loss on disposal of software	-	13,977
Interest held in short-term investment	(2,614)	(1,400)
(Increase) decrease in assets:		
Contributions receivable	249,013	(232,174)
Increase (decrease) in liabilities:		
Accounts payable	8,274	(17,390)
Grants payable	(32,304)	(205,522)
Accrued payroll	7,993	-
Accrued vacation	(1,013)	(6,398)
Net cash provided by (used in) operating activities	225,589	(524,619)
Cash flows from investing activities		
Proceeds of short-term investment	31,757	-
Purchase of short-term investment	(75,000)	-
Net cash used in investing activities	(43,243)	-
Net increase (decrease) in cash	182,346	(524,619)
Cash, beginning of year	297,391	822,010
Cash, end of year	$ 479,737	$ 297,391
Cash	$ 185,584	$ 250,124
Restricted cash	294,153	47,267
Total cash	$ 479,737	$ 297,391

The accompanying notes are an integral part of this statement.
See accompanying Independent Accountants' Review Report.

Note 1. Nature of Activities

Healthcare Foundation Northern Sonoma County (the "Foundation") is a California not-for-profit corporation established in May 2001 to raise funds to support quality, equitable healthcare services for all residents of Northern Sonoma County. The Foundation receives its support and revenue primarily from the public. The Foundation's focus areas for grant making, as well as leading and convening community, are health access and mental health. The Healthcare Foundation's role is not just to fund programs, but to bring people together, strengthen local social and health systems of care and build communities to thrive long after individual grants have ended.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations and, therefore, are available to carry out the Foundation's operations.

Net assets with donor restrictions – Net assets consist of funds and unconditional promises to give by donors that specify a specific use or the occurrence of a certain future event. When a restriction is met, net assets with restrictions are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

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 based on management's knowledge and experience. Those estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue, support and expenses. The use of management's estimates primarily relates to the collectability of contributions receivable, depreciable lives of property and improvements, and allocation of certain management and general expenses by their functional categories. Actual results could differ from those estimates.

Restricted Cash

As of December 31, 2025 and 2024, the Foundation held cash due to donor restrictions placed on the assets. The restricted cash was donor restricted for the purpose of healthcare grants and programs.

Note 2. Summary of Significant Accounting Policies, *continued*

Investments

As of December 31, 2025, the Foundation held a certificate of deposit ("CD") with a maturity date of February 2026, earning interest at 3.22% per annum. Subsequent to year-end, in February 2026, the Foundation renewed the CD for new maturity date of February 2027.

As of December 31, 2024, the Foundation held a certificate of deposit ("CD") with a maturity date of March 2025, earning interest at 4.5% per annum.

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1: Valuation based on quoted market prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2: Valuation based on pricing inputs that are other than quoted prices in active markets which are either directly or indirectly observable.

Level 3: Valuation derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques

The categorization of an investment within the hierarchy is based on the pricing transparency of the investment and does not necessarily correspond to the Foundation's perceived risk of that investment.

As of December 31, 2025 and 2024, a certificate of deposit was the only investment held by the Foundation and was considered a Level 2 instrument.

Financial Instruments

The carrying amount of financial instruments approximate fair value based on quoted market prices or discounted cash flow analysis for cash, restricted cash and time deposits and other financial instruments.

Contributions Receivable

Verifiable pledges for contributions are recorded as contributions receivable. Pledges that are expected to be collected within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are made. Amortization of the discount is included in contribution revenue. The Foundation uses the allowance method to reserve for uncollectable accounts. Management periodically evaluates the allowance.

Note 2. Summary of Significant Accounting Policies*, continued*

Property and Equipment

It is the Foundation's policy to capitalize all computers, equipment, furniture, and computer software at costs greater than $1,000. Property and equipment are recorded at acquisition cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 7 years. Donated property is recorded at its estimated fair value at the day of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Long-lived assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Unless otherwise stated by the donor, the restriction expires when the asset is placed in service.

Leases

Transactions give rise to leases when the Foundation receives substantially all of the economic benefits from, and has the ability to direct, the use of the specified property and equipment. The Foundation primarily has lessee activity that is classified as operating leases.

Operating leases are included in operating lease right-of-use assets, current maturities of operating lease liabilities, and operating lease liabilities, less current maturities in the Statements of Financial Position. Operating lease right-of-use assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent obligations to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When discount rates implicit in leases cannot be readily determined, the Foundation uses the applicable incremental borrowing rate at lease commencement to perform lease classification tests and to measure lease liabilities and right-of-use assets. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Certain options renewal periods were not included in the determination of the lease liability and right-of-use asset if management determined it was not reasonably certain that the lease would be extended. As of December 31, 2025 and 2024 the Foundation did not have any leases that met the qualifications to be reported as an operating lease right-of-use asset.

The Foundation has elected not to recognize right-of-use assets and lease liabilities for leases of terms less than 12 months.

Revenue Recognition

Contributions of Financial Assets

Contributions received are recorded as revenue without donor restrictions or revenue with donor restrictions, depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to make a gift to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donors are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restrictions are fulfilled in the same period the revenue or support is received, the Foundation reports the revenue or support as net assets without donor restrictions.

Note 2. Summary of Significant Accounting Policies, *continued*

Revenue Recognition, *continued*

Contributions of Financial Assets, continued

The Foundation sometimes receives donations of marketable securities. Generally, the securities are sold within 7 days of receipt. Investments in marketable securities are reported at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Contributions of Nonfinancial Assets

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the year received.

A substantial number of volunteers have donated significant amounts of time to the Foundation's program services and to its fundraising campaigns. No amounts have been recognized in the Statements of Activities and Changes in Net Assets since the work done by the volunteers does not fall under the criteria established by the Financial Accounting Standards Board (FASB).

Functional Expense Allocation

Expenses that are specifically identifiable are charged directly to the appropriate functional category. All other expenses are charged based on staff hours or square foot allocations. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Foundation.

Advertising Expense

Advertising costs associated with Foundation's promotion, various campaigns and special event fundraising are expensed as incurred. The Foundation's advertising expenses includes printing and copies, social media, and graphic design, and amounted to $20,731 and $24,860 for the years ended December 31, 2025 and 2024, respectively.

Income Taxes

The Foundation is a nonprofit corporation under Internal Revenue Code Section 501(c)(3) and has been granted tax-exempt status by the Internal Revenue Service and the California Revenue and Taxation Code Section 23701(d). These exemptions are subject to periodic review by the taxing authorities. As of December 31, 2025 and 2024, the Foundation has reviewed its tax positions and has concluded no reserve for uncertain tax position is required. In the opinion of management, there is no unrelated business income subject to income taxes. The Foundation's exempt organization information returns, IRS Form 990 and California Form 199, are subject to review through three years after the date of filing for federal and four years after the date of filing for state.

Note 3. Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets reduced by amounts not available for general use because of contractual, donor imposed or board designated restrictions within one year of the balance sheet date, as of December 31:

	2025	2024
Cash	$ 479,737	$ 297,391
Short-term investments	77,614	31,757
Contributions receivable, net	687,972	936,985
Total financial assets, at year-end	1,245,323	1,266,133
Less those unavailable for general expenditures within one year, due to:		
Purpose restricted funds	(722,155)	(628,584)
Time restricted funds	(75,000)	(100,000)
Board designated	-	(130,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 448,168	$ 407,549

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. To help manage unanticipated liquidity needs, the Foundation strives to maintain a minimum of 120 days of operating cash as its reserve.

Note 4. Contributions Receivable

Contributions receivable consist of the following as of December 31:

	2025	2024
Contributions receivable	$ 754,695	$ 1,041,350
Less: allowance for doubtful accounts	(10,335)	(14,660)
Less: unamortized discounts	(56,388)	(89,705)
	$ 687,972	$ 936,985

Contributions are expected to be collected according to the following schedule for the years ending December 31:

2026	$ 323,600
2027	199,135
2028	116,960
2029	115,000
	$ 754,695

Note 5. Property and Equipment

Property and equipment consists of the following as of December 31:

	2025	2024
Office equipment	$ 26,476	$ 26,476
Tenant improvements	4,200	4,200
Total depreciable assets	30,676	30,676
Less: accumulated depreciation	(30,676)	(30,515)
	$ -	$ 161

Depreciation expense for the years ended December 31, 2025 and 2024 amounted to $161 and $1,446, respectively.

Note 6. Operating Leases

The Foundation leases its administrative office under an operating lease agreement. In September 2023, the office lease was amended to reduce the amount of space being leased, and to convert the lease to a month-to-month agreement. With the amendment, the office lease no longer qualifies for the operating lease right-of-use asset accounting method, and from then on monthly lease payments are expensed as they occur.

The Foundation also has a lease agreement for office equipment requiring minimum monthly payments of $130 through January 2025. Management determined this lease to be immaterial and has removed it from the right-of-use asset analysis.

Subsequent to year-end, in January 2026, the Foundation entered into a new lease agreement for office equipment requiring minimum monthly payments of $176 through May 2031. Management determined this lease to be immaterial and therefore has not included it in the operating lease right-of-use assets.

Total lease costs incurred for the years ended December 31, 2025 and 2024 consist of rent expense of $25,874 and $25,698, respectively.

Note 7. Net Assets

Net Assets without Donor Restrictions

All general operating revenues and expenses related to the program activities of the Foundation are included in the change in net assets without donor restrictions. From time-to-time donations received without donor restrictions are designated by the Foundation's board as board designated funds. The board-designated funds consist of funds with no donor or legal restrictions, but through board resolutions have been set aside for specific purposes. As of December 31, 2024, the Foundation's Board of Directors had designated $130,000 of net assets for programs and grants to be given. During 2025 all board designated net assets were released, there are no board designated net assets as of December 31, 2025.

Note 7. Net Assets, *continued*

Net Assets with Donor Restrictions

As of December 31, 2025 and 2024, net assets with donor restrictions consist of funds raised to make grants to nonprofit organizations and collaborative coalitions providing health access, mental health and perinatal mental health support, and services that serve residents of northern Sonoma County in the amount of $722,155 and $628,584, respectively, and time restricted funds in the amount of $75,000 and $100,000, respectively.

Net assets with donor restrictions are released from restriction when the purposes of the restrictions are met. Net assets released from program restrictions amounted to $367,434 and $484,394 and released from time restrictions amounted to $25,000 and $60,000 for the years ended December 31, 2025 and 2024, respectively.

The following are the net assets with donor restrictions as included on the Statements of Financial Position at December 31:

	2025	2024
Cash	$ 294,153	$ 47,267
Contributions receivable	503,002	681,317
	$ 797,155	$ 728,584

Note 8. Cash Concentration Risk

At various times during the years ended December 31, 2025 and 2024, the Foundation had deposited amounts with a financial institution in excess of the $250,000 Federal Deposit Insurance Corporation ("FDIC") insurance limit. At December 31, 2025 and 2024, the Foundation had approximately $77,600 and $4,100, respectively in excess of the FDIC insured amount.

Note 9. Contributions of Nonfinancial Assets

The Foundation utilizes contributed nonfinancial assets in its programs, fundraising events, and administrative activities when appropriate. Donated auction items are monetized through fundraising events. The proceeds from donated auction items are used to support the Foundation's activities.

Contributions of nonfinancial assets recognized in the Statement of Activities and Changes in Net Assets as of December 31, 2025 included $300 of event services for administrative utilization, with no donor restrictions, and valued based on vendor invoices.

Note 9. Contributions of Nonfinancial Assets, *continued*

Contributions of nonfinancial assets recognized in the Statement of Activities and Changes in Net Assets as of December 31, 2024 included:

Category	Revenue Recognized	Utilization in Programs or Activities	Donor Restrictions	Valuation Techniques
Event venue	$ 7,000	Fundraising	None	Vendor invoices
Event services	4,800	Admin	None	Vendor invoices
Auction items	6,064	Fundraising	None	Retail value
	$ 17,864			

Note 10. Subsequent Events

The Foundation evaluated subsequent events from January 1, 2026 through August 12, 2026, the date which the financial statements were available to be issued and determined that other than the CD renewal discussed in Note 2 and the new equipment lease discussed in Note 6 there are no material subsequent events that required recognition or additional disclosure in these financial statements.