



# THE FIRST HOSPITAL FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

# THE FIRST HOSPITAL FOUNDATION

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The First Hospital Foundation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The First Hospital Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

#### ***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.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the 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 from 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 auditor's 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 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 on the preceding page present fairly, in all material respects, the financial position of The First Hospital Foundation as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

The financial statements of The First Hospital Foundation for the year ended December 31, 2012 were audited by other auditors whose report dated June 3, 2013, expressed an unmodified opinion on those statements.

*EisnerAmper LLP*

Jenkintown, Pennsylvania  
July 9, 2014

# THE FIRST HOSPITAL FOUNDATION

## Statements of Financial Position

	<u>December 31</u>	
	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 459,188	\$ 60,758
Prepaid federal excise tax	2,000	22,500
Prepaid expenses	4,471	3,408
Due from investment custodian	-	4,387,442
Investments	43,538,882	35,170,006
Deposits	15,767	15,767
Furniture and equipment, net of accumulated depreciation of \$11,381 in 2013 and \$10,003 in 2012	<u>286</u>	<u>1,664</u>
	<u><b>\$ 44,020,594</b></u>	<u><b>\$ 39,661,545</b></u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 42,799	\$ 39,794
Grants payable	322,856	331,750
Deferred federal excise tax liability	<u>185,000</u>	<u>97,000</u>
	550,655	468,544
<b>NET ASSETS</b>		
Unrestricted	<u>43,469,939</u>	<u>39,193,001</u>
	<u><b>\$ 44,020,594</b></u>	<u><b>\$ 39,661,545</b></u>

# THE FIRST HOSPITAL FOUNDATION

## Statements of Activities and Changes in Net Assets

	<b>Year Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>Investment revenue:</b>		
Interest, dividends and capital gain distributions	\$ 668,979	\$ 627,959
Net realized gain on investments	705,642	2,397,017
Net earnings from investments in partnerships	392,928	235,637
	<u>1,767,549</u>	<u>3,260,613</u>
Less investment advisory fees	61,800	57,866
	<u>1,705,749</u>	<u>3,202,747</u>
<b>Expenses:</b>		
Grants, net of rescinded grants of \$517 in 2013 and \$9,460 in 2012	1,383,361	1,399,800
Operations and governance	359,930	346,866
Federal excise tax expense	20,500	30,500
	<u>1,763,791</u>	<u>1,777,166</u>
<b>Change in net assets before unrealized gain on investments</b>	<b>(58,042)</b>	<b>1,425,581</b>
<b>Unrealized gain on investments</b> , net of deferred excise tax provision of \$88,000 in 2013 and \$34,000 in 2012	<b>4,334,980</b>	<b>1,879,827</b>
<b>Change in net assets</b>	<b>4,276,938</b>	<b>3,305,408</b>
<b>Net assets at beginning of year</b>	<b>39,193,001</b>	<b>35,887,593</b>
<b>Net assets at end of year</b>	<b>\$ 43,469,939</b>	<b>\$ 39,193,001</b>

# THE FIRST HOSPITAL FOUNDATION

## Statements of Cash Flows

	Year Ended December 31	
	2013	2012
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 4,276,938	\$ 3,305,408
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized gain on investments	(705,642)	(2,397,017)
Net unrealized gain on investments	(4,422,980)	(1,913,827)
Net earnings from investments in partnerships	(392,928)	(235,637)
Deferred federal excise tax expense	88,000	34,000
Depreciation	1,378	2,185
(Increase) decrease in assets:		
Prepaid federal excise tax	20,500	(16,500)
Prepaid expenses	(1,063)	475
Due from grantee	-	46,000
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	3,005	(9,778)
Grants payable	(8,894)	(74,807)
	<u>(1,141,686)</u>	<u>(1,259,498)</u>
Net cash used in operating activities		
<b>Cash flows from investing activities:</b>		
Purchase of investments	(16,354,537)	(11,731,555)
Proceeds from sale of investments	13,507,211	15,602,092
Due from (to) investment custodian	4,387,442	(2,731,381)
	<u>1,540,116</u>	<u>1,139,156</u>
Net cash provided by investing activities		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>398,430</b>	<b>(120,342)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>60,758</b>	<b>181,100</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 459,188</b>	<b>\$ 60,758</b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for federal excise tax on investment income	<u>\$ -</u>	<u>\$ 47,000</u>

# THE FIRST HOSPITAL FOUNDATION

## Notes to Financial Statements December 31, 2013 and 2012

### NOTE A - ORGANIZATION

The First Hospital Foundation (the "Foundation") was established in 1997 as part of the merger agreement between Pennsylvania Hospital and the Trustees of the University of Pennsylvania. In the spirit of Pennsylvania Hospital's historic mission, the Foundation supports programs that improve the health of the vulnerable and underserved populations in the Greater Philadelphia Region. The Foundation has a secondary mission to support the preservation of the historic artifacts and memorials of Pennsylvania Hospital.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Foundation in the preparation of the financial statements.

#### [1] Basis of presentation:

The accompanying financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### [2] Cash and cash equivalents:

Cash and cash equivalents consist of short-term investments with initial maturities of three months or less at the time of purchase, except for those short-term investments managed in accordance with the Foundation's long-term investment strategy.

#### [3] Investments valuation:

Investments are carried at fair value. Investments in equities and bonds are valued using dealer or exchange-quoted market prices. Shares of mutual funds are valued at the net asset value of the shares held by the Foundation at year-end. Investments in money market funds are valued at cost which approximates fair value. The fair value of alternative investments has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment fund. Financial Accounting Standards Board ("FASB") guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Foundation's interest therein and the fund's classification within Level 2 or 3 based on the Foundation's ability to redeem its interest in the near term.

#### [4] Investment income recognition:

Purchases and sales of securities are recorded on a trade-date basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

# THE FIRST HOSPITAL FOUNDATION

## Notes to Financial Statements December 31, 2013 and 2012

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **[5] Investment risks and uncertainties:**

Alternative investments consist of nontraditional, not readily marketable investments, some of which may be structured as limited partnerships, venture capital funds, hedge funds, private equity funds, real estate funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments liquidated, and those differences could be material.

#### **[6] Furniture and equipment:**

The Foundation follows the practice of capitalizing all expenditures for furniture and equipment with a cost in excess of \$1,000. Furniture and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from three to five years.

#### **[7] Grants payable:**

Grants payable are recorded when approved by the Board of Directors. Grants that are payable over future periods are recorded in the period the grant is first awarded when the recipient is subject only to routine performance requirements. Conditional grants are recognized when the conditions on which they depend are substantially met.

#### **[8] Accounting for uncertainty in income taxes:**

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial recognition. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2010. The Foundation recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for the years ended December 31, 2013 and 2012.

# THE FIRST HOSPITAL FOUNDATION

## Notes to Financial Statements December 31, 2013 and 2012

### NOTE C - FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants.

In determining fair value, the Foundation uses various valuation approaches, including market, income and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the topic are described below:

Level 1 - Quoted prices for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Significant inputs to the valuation model are unobservable.

Following is a description of the Foundation's valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2013 and 2012.

Quoted market prices, when available, are used by the Foundation to determine the fair value of investment securities. Such investments are included in Level 1. When quoted market prices are not readily available or representative of fair value, pricing determinations are made based on the results of valuation models using observable market data such as recently reported trades, bid and offer information and benchmark securities. These investments are included in Level 2 and include commingled funds and fund of funds.

The Foundation's investments within Level 3 currently have no active markets for these funds and the Foundation is unable to obtain independent valuations from market sources. Therefore, the alternative investments are primarily valued at management's estimated fair value based on amounts provided by the management of the investment entities. The total fair value of investments measured using Level 3 valuation methodologies represented 25% and 19% of total investment assets as of December 31, 2013 and 2012, respectively.

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 management 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 financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

# THE FIRST HOSPITAL FOUNDATION

## Notes to Financial Statements December 31, 2013 and 2012

### NOTE C - FAIR VALUE MEASUREMENTS (CONTINUED)

#### Changes in fair value levels:

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended December 31, 2013 and 2012, there were no transfers into or out of Levels 1, 2 or 3.

The following are the classes and major categories of investments as of December 31, 2013 and 2012 grouped by the fair value hierarchy for those investments measured at fair value on a recurring basis:

	Investment Assets at Fair Value as of			
	December 31, 2013			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 915,997	\$ -	\$ -	\$ 915,997
Fixed income funds:				
Bonds	3,964,684	-	-	3,964,684
Equity funds:				
U.S. Small Cap Equities	1,102,038	-	-	1,102,038
U.S. Large Cap Equities	3,138,214	-	-	3,138,214
International Equities	6,311,214	-	-	6,311,214
Commodities	1,025,136	-	-	1,025,136
Hedge funds:				
Bonds	-	1,287,821	-	1,287,821
U.S. Government and Foreign				
Government bonds	-	1,939,709	-	1,939,709
U.S. Small Cap Equities	-	1,334,294	-	1,334,294
U.S. Large Cap Equities	-	7,632,090	-	7,632,090
International Equities	-	4,037,841	-	4,037,841
Funds of Funds	-	-	7,515,376	7,515,376
Private Equities - Funds of Funds	-	-	2,073,369	2,073,369
Real Estate funds	-	-	1,261,099	1,261,099
	<u>\$ 16,457,283</u>	<u>\$ 16,231,755</u>	<u>\$ 10,849,844</u>	<u>\$ 43,538,882</u>

# THE FIRST HOSPITAL FOUNDATION

## Notes to Financial Statements December 31, 2013 and 2012

### NOTE C - FAIR VALUE MEASUREMENTS (CONTINUED)

Investment Assets at Fair Value as of December 31, 2012				
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 386,703	\$ -	\$ -	\$ 386,703
Fixed income funds:				
Bonds	4,264,267	-	-	4,264,267
U.S. Government and Foreign Government bonds	-	2,009,231	-	2,009,231
Equity funds:				
U.S. Small Cap Equities	1,061,116	-	-	1,061,116
U.S. Large Cap Equities	2,584,638	-	-	2,584,638
International equities	6,043,139	-	-	6,043,139
Commodities	1,203,344	-	-	1,203,344
Hedge funds:				
Large/Mid Cap Equities	-	10,083,897	-	10,083,897
Small Cap Equities	-	981,720	-	981,720
Funds of Funds	-	-	3,633,931	3,633,931
Private Equities - Funds of Funds	-	-	1,510,940	1,510,940
Real Estate funds	-	-	1,407,080	1,407,080
	<u>\$ 15,543,207</u>	<u>\$ 13,074,848</u>	<u>\$ 6,551,951</u>	<u>\$ 35,170,006</u>

The following is a reconciliation of the beginning and ending balances for Level 3 investments during the years ended December 31, 2013 and 2012.

	2013				
	Beginning of Year	Purchases	Sales	Total Realized and Unrealized Gain	End of Year
Hedge Funds - Funds of Funds	\$ 3,633,931	\$ 3,000,000	\$ -	\$ 881,445	\$ 7,515,376
Private Equities - Funds of Funds	1,510,940	501,250	(130,642)	191,821	2,073,369
Real Estate funds	1,407,080	309,536	(573,257)	117,740	1,261,099
	<u>\$ 6,551,951</u>	<u>\$ 3,810,786</u>	<u>\$ (703,899)</u>	<u>\$ 1,191,006</u>	<u>\$ 10,849,844</u>
	2012				
	Beginning of Year	Purchases	Sales	Total Realized and Unrealized Gain	End of Year
Hedge Funds - Funds of Funds	\$ 6,192,645	\$ -	\$ (3,187,442)	\$ 628,728	\$ 3,633,931
Private Equities - Funds of Funds	1,112,372	340,184	-	58,384	1,510,940
Real Estate funds	556,717	842,526	(128,606)	136,443	1,407,080
	<u>\$ 7,861,734</u>	<u>\$ 1,182,710</u>	<u>\$ (3,316,048)</u>	<u>\$ 823,555</u>	<u>\$ 6,551,951</u>

# THE FIRST HOSPITAL FOUNDATION

## Notes to Financial Statements December 31, 2013 and 2012

### NOTE C - FAIR VALUE MEASUREMENTS (CONTINUED)

Net unrealized gains on alternative investments held at year-end were \$835,734 and \$314,955 for the years ended December 31, 2013 and 2012, respectively.

Information regarding the nature and risk of certain level 2 and 3 investments as of December 31, 2013 is as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Fixed Income funds (a)	\$ 3,227,530	\$ -	Monthly	0-60 days
Equity funds (a)	13,004,225	-	Monthly	-
Hedge funds - Funds of Funds (b)	7,515,376	-	1-2 years	75-95 days
Private Equities - Funds of Funds (c)	2,073,369	3,023,189	*	*
Real Estate funds (d)	1,261,099	472,104	*	*
	<u>\$ 27,081,599</u>	<u>\$ 3,495,293</u>		

\* The private equity and real estate funds are illiquid assets.

- a) This category includes hedge funds investments in securities, commodity interest, other financial assets and small and mid cap materials. Investments occur either directly or indirectly through investment in other pooled investment vehicles, including common stocks and derivative stock index instruments such as options on stock indexes, stock index futures and option thereon, and stock index swap agreements. Investments in this category provide liquidity on a monthly basis.
- b) This category includes hedge fund investments with an objective of investing to provide investors with maximum appreciation of capital while incurring reasonable risk by investing primarily in a diversified group of investment funds. The investments in this category can be redeemed on an annual basis and are subject to acquisition lock-ups from two to three years.
- c) This category includes private equity investments in domestic and international partnerships. These are long-term investments that cannot be redeemed at the discretion of the Foundation. Instead, distributions are received through the liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated in approximately 10 years.
- d) This category includes real estate funds that invest indirectly in partnerships that primarily invest in real estate investments acquired in secondary market transactions. The partnerships may also originate investments by contributing capital into existing ownership entities holding real property or engaging in privately negotiated transactions or other means of pursuing an investment, and may engage in investments directly or indirectly, through subsidiaries, partnership interest, joint ventures or otherwise. These are long-term investments that cannot be redeemed at the discretion of the Foundation. Instead, distributions are received through the liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated in approximately seven years.

Investment advisory fees amounted to \$61,800 and \$57,866 for the years ended December 31, 2013 and 2012, respectively, and are not included with professional fees in the statements of activities and changes in net assets. Realized gain (loss) on investments, allocation of net earnings (losses) from investments in partnerships, and unrealized gain (loss) on alternative investments are reduced (increased) by the management and performance fee charged by the respective individual funds.

# THE FIRST HOSPITAL FOUNDATION

## Notes to Financial Statements December 31, 2013 and 2012

### NOTE D - FEDERAL EXCISE TAXES

Effective January 1, 2011, the Foundation's tax status changed from a public charity to a nonoperating private foundation as defined under Section 509(a) of the Internal Revenue Code ("IRC"). The Foundation is exempt from federal income taxes under Section 501(c)(3) of the IRC, and is subject to a federal excise tax of 2% on its net investment income, as defined, for tax purposes. However, the excise tax is reduced to 1% if certain conditions are met. The Foundation's rate was 1% for 2013 and 2012. The Foundation has met its minimum distribution requirement.

Deferred excise taxes principally arise from the difference between the cost and fair value of investments at year-end.

### NOTE E - UNRELATED BUSINESS INCOME TAX

The Foundation is subject to tax on its unrelated business income from business activities of alternative investments.

### NOTE F - GRANTS PAYABLE

The following summarizes changes in grants payable for the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Balance at beginning of year	\$ 331,750	\$ 406,557
Grants authorized	1,383,361	1,399,800
Grants paid	<u>(1,392,255)</u>	<u>(1,474,607)</u>
Balance at end of year	<u>\$ 322,856</u>	<u>\$ 331,750</u>

Unpaid grants approved by the Board of Directors as of December 31, 2013 are due to be paid within one year.

### NOTE G - NATURAL EXPENSES BY OBJECT CLASSIFICATION

The costs of providing various program services and other activities of the Foundation have been summarized in the statements of activities and changes in net assets. A summary of the operations and governance expenses by natural type of disbursement for the years ended December 31, 2013 and 2012 is presented below:

	<u>2013</u>	<u>2012</u>
Administrative fees	\$ 247,092	\$ 240,038
Insurance	5,348	5,302
Professional fees	63,236	61,589
Rent	11,388	11,130
Dues and subscriptions	3,896	3,525
Online grants management database	11,500	-
Office expenses	11,160	13,467
Depreciation	1,378	2,185
Miscellaneous expense	4,932	9,630
	<u>\$ 359,930</u>	<u>\$ 346,866</u>

## **THE FIRST HOSPITAL FOUNDATION**

### **Notes to Financial Statements December 31, 2013 and 2012**

#### **NOTE H - RELATED PARTY TRANSACTIONS**

During 2013 and 2012, the Foundation outsourced employment services to an organization of which a Foundation Board Director is the President and CEO. Under the terms of the agreement, the Foundation has provided a security deposit in the amount of \$15,767, which will be retained by the organization without the payment of interest. The security deposit is refundable to the Foundation upon the termination of the agreement. Outsourced employment services amounted to \$247,092 and \$240,038 for the years ended December 31, 2013 and 2012, respectively, which is reported in operations and governance in the statements of activities and changes in net assets.

#### **NOTE I - CONCENTRATIONS OF CREDIT RISK**

The Foundation's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and investments. The Foundation places its cash and cash equivalents with what it believes to be quality financial institutions. The Foundation invests in equity, fixed income and alternative investments. The Foundation routinely assesses the diversification and financial strength of its cash and investment portfolio. As a consequence, concentrations of credit risk are limited.

#### **NOTE J - LEASE COMMITMENT**

Effective May 17, 2010, the Foundation entered into an operating sublease agreement for its office space. The lease term expired on November 30, 2012. An extension agreement was signed on November 29, 2012, which extends the term until May 31, 2014.

Scheduled future rental payments to be made under the lease for the year ended December 31, 2014 are \$4,745.

#### **NOTE K - LINE-OF-CREDIT**

The Foundation has an unsecured line-of-credit with a maximum borrowing availability of \$3,000,000. The line-of-credit bears interest at LIBOR plus 200 basis points (LIBOR was 0.1672% as of December 31, 2013). There was no outstanding balance on this line-of-credit as of December 31, 2013. The agreement has an expiration date of October 1, 2014.

#### **NOTE L - SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through July 9, 2014, which is the date the financial statements were available to be issued.