

ST. AGNES FOUNDATION, INC.
Baltimore, Maryland

FINANCIAL STATEMENTS
June 30, 2013 and 2012

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Independent Auditor's Report

Board of Directors
St. Agnes Foundation, Inc.
Baltimore, Maryland

We have audited the accompanying financial statements of St. Agnes Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, and cash flows for the years 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.

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 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 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 entity'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 entity'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 above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

Baltimore, Maryland
September 17, 2013

ST. AGNES FOUNDATION, INC.
Baltimore, Maryland

FINANCIAL STATEMENTS
June 30, 2013 and 2012

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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.

Management's Responsibility for the Financial Statements

We have audited the accompanying financial statements of St. Agnes Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements

Board of Directors
St. Agnes Foundation, Inc.
Baltimore, Maryland

Independent Auditor's Report



Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Walter L. Moore & Co. LLP

Baltimore, Maryland
September 17, 2013

ST. AGNES FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

ASSETS		LIABILITIES AND NET ASSETS	
2013	2012	2013	2012
CURRENT ASSETS		CURRENT LIABILITIES	
Cash and cash equivalents	\$ 1,345,806	Accounts payable - St. Agnes HealthCare	\$ 70,281
Accounts receivable - other	11,816	Accounts payable - other	77,717
Pledges receivable, net of allowance, unrestricted	145,698	Total current liabilities	147,998
Pledges receivable, net of allowance, restricted	366,746		
Interest receivable	25,938	NET ASSETS	
Prepaid expenses	-	Unrestricted net assets	12,128,370
Total current assets	1,895,883	Temporarily restricted net assets:	
INVESTMENTS		Harry & Jeannette Weinberg Endowment	2,465,528
Investments restricted by grantor or donor	3,601,875	Cardiac access	2,025
Long-term pledges receivable, net of discount and allowance	1,877,330	Other	91,421
Total restricted assets	5,479,205	Funds for the benefit of SAHC	2,955,022
		Total temporarily restricted net assets	5,513,996
TOTAL ASSETS	\$ 18,127,761	Permanently restricted net assets:	
		Infinity endowment	331,954
		Total net assets	17,974,320
		TOTAL LIABILITIES AND NET ASSETS	\$ 18,127,761
			<u>\$ 18,004,391</u>

The accompanying notes are an integral part of the financial statements.

ST. AGNES FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2013 and 2012

	2013				2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT								
Contribution revenue:								
Special events revenue	\$ 93,475	\$ 358,160	\$ -	\$ 451,635	\$ 130,331	\$ 260,931	\$ -	\$ 391,262
Annual and planned giving	313,033	-	-	313,033	311,675	-	-	311,675
Capital campaign	-	722,491	-	722,491	-	2,944,411	-	2,944,411
Other	-	684,086	-	684,086	-	150,298	33,335	183,633
Total contribution revenue	406,508	1,764,737	-	2,171,245	442,006	3,355,640	33,335	3,830,981
OTHER REVENUE								
Equipment designated by donor for St. Agnes HealthCare	-	-	-	-	6,900	-	-	6,900
Less: Equipment remitted to St. Agnes HealthCare	-	-	-	-	6,900	-	-	6,900
Total Other Revenue	-	-	-	-	-	-	-	-
Investment income:								
Interest and dividend income (net)	159,507	(7,849)	-	151,658	151,082	6,472	-	157,554
Gain on sale of investments	116,916	14,494	-	131,410	231,556	26,756	-	258,312
Unrealized gain on investments	1,177,186	154,752	-	1,331,938	271,358	60,225	-	331,583
Total investment income	1,453,609	161,397	-	1,615,006	653,996	93,453	-	747,449
Net assets released from restrictions	2,718,069	(2,718,069)	-	-	2,306,779	(2,306,779)	-	-
Total revenues, gains and other support	4,578,186	(791,935)	-	3,786,251	3,402,781	1,142,314	33,335	4,578,430
EXPENSES								
Program services:								
Grants	940,738	-	-	940,738	465,859	-	-	465,859
Capital campaign	1,708,771	-	-	1,708,771	1,478,995	-	-	1,478,995
Total program services	2,649,509	-	-	2,649,509	1,944,854	-	-	1,944,854
Costs of direct benefits to donors	132,501	-	-	132,501	123,132	-	-	123,132
Fundraising	531,143	-	-	531,143	889,554	-	-	889,554
Management and general	355,171	-	-	355,171	262,647	-	-	262,647
Total expenses	3,668,324	-	-	3,668,324	3,220,187	-	-	3,220,187
CHANGE IN NET ASSETS	909,862	(791,935)	-	117,927	182,594	1,142,314	33,335	1,358,243
NET ASSETS, BEGINNING OF YEAR	11,218,508	6,305,931	331,954	17,856,393	11,035,914	5,163,617	298,619	16,498,150
NET ASSETS, END OF YEAR	\$ 12,128,370	\$ 5,513,996	\$ 331,954	\$ 17,974,320	\$ 11,218,508	\$ 6,305,931	\$ 331,954	\$ 17,856,393

The accompanying notes are an integral part of the financial statements.

ST. AGNES FOUNDATION, INC.
 STATEMENTS OF CASH FLOWS
 Years Ended June 30, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 117,927	\$ 1,358,243
Adjustments to reconcile change in net unrestricted assets to net cash provided by (used in) operating activities:		
Gain on sale of investments	(131,410)	(258,312)
Unrealized gain on investments	(1,331,938)	(331,583)
Effects of changes in operating assets and liabilities:		
Accounts receivable - other	121	(11,816)
Pledges receivable	625,246	(1,648,415)
Interest receivable	5,005	4,500
Prepaid expenses	1,000	(1,000)
Accounts payable	5,443	39,405
Unearned revenue	-	(15,000)
Net cash used in operating activities	(708,606)	(863,978)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,955,205)	(1,841,880)
Sales and maturities of investments	3,743,321	4,282,107
Net cash provided by (used in) investing activities	(211,884)	2,440,227
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(920,490)	1,576,249
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,266,296	690,047
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,345,806	\$ 2,266,296

The accompanying notes are an integral part of the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Agnes Foundation, Inc. (the Foundation) is a not-for-profit, nonstock corporation established to solicit, receive, hold, invest, and reinvest gifts and bequests, which are made primarily for the benefit of St. Agnes Health Care (SAHC), including the surrounding communities, in support of SAHC's health-related activities. The Foundation and SAHC are members of Ascension Health, a Catholic, national, multi-unit, not-for-profit corporation. The members of the Foundation Board of Directors are appointed by SAHC. Significant accounting policies followed by the Foundation are presented below.

Use of Estimates in Preparing Financial Statements

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents, and they are carried at cost, which approximates fair value.

Pledges Receivable

Unconditional promises to give cash and other assets are reported at fair value as pledges receivable at the date the promise is received. Long-term pledges are discounted to net present value, less a provision for pledges considered uncollectible or adjustments, which arise as a result of management review.

Restricted Pledges Receivable

Certain pledges receivable are classified as restricted based on grantor or donor restrictions of their use.

Investments

Investments (including restricted investments) are comprised of United States government obligations and equity investments and are carried at fair market value as of the date of the statements of financial position. Changes in fair market value are recognized in the period in which the change occurs in the statements of activities and changes in net assets. Investment income and losses on investments of temporarily restricted assets are added to the appropriate temporarily restricted net assets when restricted as to use by the donor.

The Foundation periodically evaluates whether any declines in the fair market value of investments are other than temporary. Declines in fair market value below cost that are deemed to be other than temporary are recorded as realized losses and are included in "other than temporary impairment of investments" in the accompanying statements of activities and changes in net assets.

**ST. AGNES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment

Equipment is recorded at cost. The Foundation capitalizes all items over \$10,000 that have a useful life greater than one year. Depreciation is computed utilizing the straight-line method over useful lives of three to five years.

Net Assets

Unrestricted Net Assets

The Foundation reports contributions received without explicit donor restrictions as unrestricted.

Temporarily Restricted Net Assets

The Foundation reports gifts of cash or other assets as temporarily restricted support if the contributions are received with donor stipulations that limit the use of the assets to a particular purpose or designate an affiliated entity as the ultimate beneficiary. The investment income generated from these funds is generally restricted. Any temporary restricted resource that is received and used during the same year is considered an unrestricted resource and is reported as unrestricted support and expense.

Permanently Restricted Net Assets

The Foundation reports gifts of cash and other assets as permanently restricted support if contributions are received with donor-imposed restrictions that stipulate that the resources be maintained in perpetuity. The investment income generated from these funds is temporarily restricted until the funds are used as set forth in the endowment agreement.

Income Taxes

The Internal Revenue Service (IRS) has ruled that the Foundation qualifies under Section 501(c)(3) of the Internal Revenue Code (IRC) and is, therefore, not subject to tax under current income tax regulations. The Foundation is not a private foundation.

NOTE 2 – PLEDGES RECEIVABLE

2013	2012
\$ 2,857,434	\$ 3,678,842
Less: discount	340,443
Less: allowance for uncollectible pledges	323,379
<u>\$ 2,389,774</u>	<u>\$ 3,015,020</u>
Net pledges receivable	

ST. AGNES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Investment in Corporate Obligations

Debt securities are generally valued at the most recent bid price of the equivalent quoted yield for such securities (or those of comparable maturity, quality, and type). The Foundation's investments in debt securities consist of FDIC backed bonds and corporate bonds. Such securities are generally classified within Level 2 of the valuation hierarchy.

The following table presents the Foundation's financial instruments measured at fair value by classification within the fair value hierarchy as of June 30, 2013:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity securities	\$ 9,040,007	\$ -	\$ -	\$ 9,040,007
Asset backed securities	-	3,293,481	-	3,293,481
U.S. Treasury obligations	-	1,090,752	-	1,090,752
State and Municipal securities	-	22,359	-	22,359
Corporate obligations	-	907,949	-	907,949
Total	\$ 9,040,007	\$ 5,314,541	\$ -	\$ 14,354,548

The following table presents the Foundation's financial instruments measured at fair value by classification within the fair value hierarchy as of June 30, 2012:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity securities	\$ 7,935,647	\$ -	\$ -	\$ 7,935,647
Asset backed securities	-	3,011,454	-	3,011,454
U.S. Treasury obligations	-	375,632	-	375,632
Corporate obligations	-	1,356,583	-	1,356,583
Total	\$ 7,935,647	\$ 4,743,669	\$ -	\$ 12,679,316

NOTE 5 – ENDOWMENTS

Temporarily and Permanently Restricted Endowments

The Foundation's endowments consist of approximately \$3 million of funds established for a variety of purposes. These endowments consist of donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on donor-imposed restrictions.

NOTE 5 – ENDOWMENTS (CONTINUED)

Temporarily and Permanently Restricted Endowments (continued)

The Foundation's Board of Directors has interpreted the Maryland Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and, if applicable (c) accumulations to the permanent endowment made in accordance with the related gift's donor instructions. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard for expenditure as prescribed by Maryland UPMIFA. In accordance with Maryland UPMIFA, the Foundation considers the following factors in making determinations 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 Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Maryland UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. As of June 30, 2013, the Foundation did not have any endowment funds with deficiencies.

Return Objectives and Risk Parameters

The Foundation's Board of Directors has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Additionally, the Foundation is committed to investing in socially responsible companies. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as amounts set aside by the Board of Directors to function as endowments. Under these policies, endowment assets are invested in a manner that is intended to provide long-term growth, interest and dividends. Actual results are compared quarterly to a mix of benchmark indices, such as the Russell 3000 and the S&P 500 indices, to ensure a competitive return on investment.

NOTE 5 – ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, 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 spending policy for each endowment is based upon the donor-specified terms. The Harry and Jeanette Weinberg endowment allows distributions of up to 5% of the average fund principal during the preceding year. In any fiscal year in which the Foundation chooses not to distribute some or all of the distributable amount for that fiscal year, the Foundation is permitted to accumulate and carry-forward the undistributed amounts. Earnings of the fund in excess of amounts distributable shall be retained and added to principal for purposes of preserving and/or enhancing the purchasing power of future permitted distributions. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets. All income or losses related to the Infinity endowment are classified as unrestricted and used to offset the operating expenses of the Foundation.

Endowment Net Asset Composition by Type of Fund as of June 30, 2013

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ 2,465,528	\$ 331,954	\$ 2,797,482
	Restricted	Permanently Restricted	Total

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2013

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning balance	\$ 2,691,342	\$ 331,954	\$ 3,023,296
Investment return:			
Investment income, net of investment expenses	19,669	-	19,669
Realized gains	14,494	-	14,494
Unrealized gains	154,752	-	154,752
Total investment return	188,915	-	188,915
Appropriation of endowment assets for expenditure	(414,729)	-	(414,729)
Endowment net asset, ending balance	\$ 2,465,528	\$ 331,954	\$ 2,797,482
	Restricted	Permanently Restricted	Total

ST. AGNES FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013 and 2012

NOTE 5 – ENDOWMENTS (CONTINUED)

Endowment Net Asset Composition by Type of Fund as of June 30, 2012

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ 2,691,342	\$ 331,954	\$ 3,023,296

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2012

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning balance	\$ 2,901,329	\$ 298,619	\$ 3,199,948

Investment return:			
Investment income, net of investment expenses	24,774	-	24,774
Realized gains	26,756	-	26,756
Unrealized gains	60,225	-	60,225
Total investment return	111,755	-	111,755
Contributions	-	33,335	33,335
Appropriation of endowment assets for expenditure	(321,742)	-	(321,742)
Endowment net asset, ending balance	\$ 2,691,342	\$ 331,954	\$ 3,023,296

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

For the years ended June 30, net assets released from restrictions were expended as follows:

	2013	2012
Grants to SAHC from the Capital Campaign proceeds	\$ 1,482,001	\$ 1,254,000
Capital Campaign (direct costs and allocation of Foundation salaries)	6,675	294,298
Grant to SAHC from Gala proceeds	226,770	224,995
Gala (direct costs)	156,758	103,477
Grants issued from the Weinberg fund	414,729	321,743
Grants issued from other restricted funds	431,136	108,266
Total	\$ 2,718,069	\$ 2,306,779

The above expenditures are reflected in program services expenses on the statements of activities and changes in net assets.

ST. AGNES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

NOTE 7 – RELATED PARTY TRANSACTIONS

SAHC provides certain administrative and accounting services to the Foundation. The Foundation reimburses SAHC for the actual cost of services provided. For the fiscal years ended June 30, 2013 and 2012, these services totaled approximately \$63,740 and \$68,127, respectively, and are recorded as management and general expenses on the statements of activities and changes in net assets. At June 30, 2013 and 2012, the Foundation has recorded liabilities of \$89,643 and \$70,281, respectively, related to these services as well as other reimbursable salary and benefit costs of Foundation employees paid by SAHC on behalf of the Foundation. Amounts due to SAHC are non interest-bearing and have no set repayment terms.

At June 30, 2013 and 2012, the Foundation held \$2,955,022 and \$3,509,105, respectively, which is designated by the donors to benefit SAHC. These designated funds will be released as contributions are made from the Foundation to SAHC.

NOTE 8 – GRANTS

Grant expenditures for the years ended June 30 are comprised of the following:

	<u>2013</u>	<u>2012</u>
Grants from unrestricted funds:		
Grants from unrestricted funds (includes allocation of Foundation salaries for grant administration of \$92,373 and \$0 for 2013 and 2012, respectively)	\$ 94,873	\$ 35,850
Subtotal	<u>94,873</u>	<u>35,850</u>
Grants from restricted funds:		
Grants to SAHC from the Capital Campaign proceeds	\$ 1,482,001	1,254,000
Grants to SAHC from Gala proceeds	226,770	224,995
Grants issued from the Weinberg fund	414,729	321,743
Grants issued from other restricted funds	431,136	108,266
Subtotal	<u>2,554,636</u>	<u>1,909,004</u>
Total grants	\$ 2,649,509	\$ 1,944,854

NOTE 9 – CONCENTRATIONS OF CREDIT RISK

At June 30, 2013, the Foundation maintained all of its cash in two commercial banks. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. Total cash held by the banks at June 30, 2013 and 2012 was \$1,330,466 and \$678,451, respectively.

ST. AGNES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

NOTE 10 – RISKS AND UNCERTAINTIES

The Foundation invests in various investment securities. 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 change could materially affect the amounts reported in the statements of financial position.

NOTE 11 – INCOME TAXES

The Foundation adopted the provisions of FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* (FASB ASC 740-10), on July 1, 2009. Management has determined that the Foundation has no material uncertain tax positions that would require recognition under FIN 48. The federal and state income tax returns of the Foundation for 2012, 2011 and 2010 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

NOTE 12 – SUBSEQUENT EVENTS

Management evaluated subsequent events through September 17, 2013, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2013, but prior to September 17, 2013, that provided additional evidence about conditions that existed at June 30, 2013, have been recognized in the financial statements for the year ended June 30, 2013. Events or transactions that provided evidence about conditions that did not exist at June 30, 2013, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2013.