

New York State Health Foundation

Financial Statements

December 31, 2019 and 2018

Independent Auditors' Report

To the Board of Directors of New York State Health Foundation

We have audited the accompanying financial statements of New York State Health Foundation (the "Foundation") which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities 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.

**To the Board of Directors of
New York State Health Foundation**

Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York State Health Foundation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 15 is presented for purposes of additional analysis and is 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 other 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 to the financial statements as a whole.

PKF O'Connor Davies, LLP

June 8, 2020

New York State Health Foundation

Statements of Financial Position

	December 31	
	2019	2018
ASSETS		
Cash and cash equivalents	\$ 8,299,695	\$ 3,262,692
Prepaid federal excise tax	73,901	143,456
Investments	304,833,490	269,458,292
Deposits and other assets	41,842	17,133
Property and equipment, net	86,655	103,159
	<u>\$ 313,335,583</u>	<u>\$ 272,984,732</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 241,734	\$ 207,702
Grants payable, net	5,500,576	6,539,977
Deferred rent	505,283	545,870
Deferred federal excise tax	1,031,291	924,884
Total Liabilities	7,278,884	8,218,433
Net assets without donor restrictions	<u>306,056,699</u>	<u>264,766,299</u>
	<u>\$ 313,335,583</u>	<u>\$ 272,984,732</u>

See notes to financial statements

New York State Health Foundation

Statements of Activities

	Year Ended December 31	
	2019	2018
REVENUE AND SUPPORT		
Investment Return		
Interest and dividends	\$ 4,214,517	\$ 3,309,663
Net realized gain from sale of investments	22,736,496	13,676,429
Unrealized gain (loss) on investments	27,965,604	(35,223,859)
(Less) direct investment expenses	<u>(513,469)</u>	<u>(514,266)</u>
Total Investment Return	54,403,148	(18,752,033)
Rental income	<u>198,478</u>	<u>192,701</u>
Total Revenue and Support	<u>54,601,626</u>	<u>(18,559,332)</u>
EXPENSES		
Program Services		
Grants authorized, net of rescinded/refunded amounts of \$165,404 and \$21,400, and present value discount of \$19,089 and (\$3,472)	7,958,845	7,883,856
Program support, planning and development	<u>4,307,117</u>	<u>4,254,766</u>
Total Program Services	12,265,962	12,138,622
Operations and Governance	769,302	673,151
Federal Excise Tax Expense (Benefit)	<u>275,962</u>	<u>(313,511)</u>
Total Expenses	<u>13,311,226</u>	<u>12,498,262</u>
Change in Net Assets	41,290,400	(31,057,594)
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	<u>264,766,299</u>	<u>295,823,893</u>
End of year	<u>\$ 306,056,699</u>	<u>\$ 264,766,299</u>

See notes to financial statements

New York State Health Foundation

Statements of Cash Flows

	Year Ended December 31	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 41,290,400	\$ (31,057,594)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	31,941	30,904
Realized gain from sale of investments	(22,736,496)	(13,676,429)
Unrealized (gain) loss on investments	(27,965,604)	35,223,859
Deferred federal excise tax	106,407	(704,055)
Discount on grants payable	(19,089)	3,472
Deferred rent	(40,587)	(40,586)
Changes in operating assets and liabilities		
Prepaid federal excise tax	69,555	140,544
Deposits and other assets	(24,709)	117,846
Accounts payable and accrued expenses	34,032	(77,929)
Grants payable	(1,020,312)	806,012
Net Cash From Operating Activities	<u>(10,274,462)</u>	<u>(9,233,956)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(15,437)	(12,778)
Proceeds from sale of investments	80,017,749	35,590,810
Purchase of investments	<u>(64,690,847)</u>	<u>(24,397,992)</u>
Net Cash From Investing Activities	<u>15,311,465</u>	<u>11,180,040</u>
Net Change in Cash and Cash Equivalents	5,037,003	1,946,084
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>3,262,692</u>	<u>1,316,608</u>
End of year	<u>\$ 8,299,695</u>	<u>\$ 3,262,692</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Federal excise taxes paid	\$ 100,000	\$ 250,000

See notes to financial statements

New York State Health Foundation

Notes to Financial Statements
December 31, 2019 and 2018

1. Organization

New York State Health Foundation, formerly The New York Charitable Asset Foundation, (the "Foundation") is a New York not-for-profit corporation organized on October 25, 2002 to pursue tax-exempt charitable purposes. The Foundation was formed as part of the conversion of Empire HealthChoice, Inc. (doing business as Empire Blue Cross & Blue Shield) ("Empire") to a for-profit corporation. Pursuant to the legislation authorizing the conversion, the Foundation received five percent of the stock of WellChoice, the holding company for Empire. The Foundation provides funding and grants for the health care related needs of residents of the State of New York ("NYS"), including without limitation, (i) expansion of access to health care by extending health insurance coverage to NYS residents who cannot afford to purchase their own coverage or who have coverage that is inadequate to meet their needs, (ii) expansion and enhancement of access to health care by augmenting and creating health care programs that deliver services to populations that are unable to access health care or that improve public health, (iii) augmentation of its other program priorities by supporting programs that inform and educate NYS residents about public health issues and empower communities to address the issues by becoming more effective at identifying and articulating health care needs and implementing solutions, and (iv) conducting any and all lawful activities which may be useful in accomplishing the foregoing purposes.

Assets, liabilities and net assets of the New York State Health Foundation Trust (the "Trust"), a revocable trust, are included in the accompanying financial statements. The Foundation is the sole trustee and beneficiary of the Trust.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

On January 1, 2019, the Foundation adopted new U.S. GAAP revenue recognition guidance which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. Adoption of the guidance had an immaterial impact on the Foundation's financial statements.

New York State Health Foundation

Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and money market accounts. The Foundation considers all highly liquid debt instruments available for current use with a maturity date of three months or less at the date of purchase to be cash equivalents.

Fair Value of Financial Instruments

The Foundation follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Foundation follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

Investment Valuation and Income Recognition

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the specific identification basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Direct Investment Expenses

Investment expense on the statements of activities consists of fees paid directly to the Foundation's investment advisor as well as an allocation of direct internal costs that the Foundation incurs in the generation of investment return. These costs include salaries, benefits, travel and other costs associated with the officers and staff responsible for the development and execution of the Foundation's investment strategy as well as allocable costs associated with the internal investment management, supervising, selecting and monitoring of external investment management firms.

Property and Equipment

Property and equipment are carried at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of other assets, which range from 3 to 5 years. Leasehold improvements are depreciated over the lesser of the life of the asset or the term of the lease. Physical assets acquired with costs in excess of \$1,000 and having a period of benefit in excess of one year are capitalized.

New York State Health Foundation

Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Grants

The liability for grants is recognized when specific grants are authorized by the Board of Directors and the recipients have been notified in an award letter. Discounts are provided on amounts due in more than one year from the date of the award.

Net Asset Presentation

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use is limited by donors to a specific time period or purpose or are limited by donors in perpetuity. As of December 31, 2019 and 2018 all net assets were without donor restrictions.

Functional Allocation of Expenses

The statements of activities present the expenses of the Foundation by certain classification. Refer to Note 9 for the classification of expenses by their functional allocation and policy for allocating such expenses.

Reclassifications

Reclassifications of certain prior year amounts have been made to conform to the current year presentation.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2016.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is June 8, 2020.

New York State Health Foundation

Notes to Financial Statements
December 31, 2019 and 2018

3. Concentrations of Credit Risk

The Foundation's financial instruments that are potentially exposed to concentration of credit risk consist of cash, cash equivalents and investments. The Foundation places its cash and cash equivalents with quality financial institutions. The Foundation invests in exchange traded funds and collective trust funds. At times, cash balances may be in excess of FDIC insurance limit. The Foundation routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. As a consequence, concentrations of credit risk are limited.

4. Property and Equipment

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

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 534,751	\$ 525,503
Leasehold improvements	<u>160,291</u>	<u>154,102</u>
	695,042	679,605
Less: accumulated depreciation	<u>608,387</u>	<u>576,446</u>
	<u>\$ 86,655</u>	<u>\$ 103,159</u>

The Foundation disposed of \$11,571 in fully depreciated property and equipment during the year ended December 31, 2018. There were no disposals for the year ended December 31, 2019.

5. Investments

The following are major categories of investments measured at fair value on a recurring basis at December 31, grouped by fair value hierarchy for those investments subject to categorization within such hierarchy:

	<u>2019</u>		
	Investments		
	Measured at Net		
	<u>Level 1</u>	<u>Asset Value (*)</u>	<u>Total</u>
Exchange Traded Funds			
Equity fund	\$ 55,953,960	\$ -	\$ 55,953,960
Fixed income fund	116,178,064	-	116,178,064
Alternative Investments			
Collective trust funds	<u>-</u>	<u>132,701,466</u>	<u>132,701,466</u>
	<u>\$ 172,132,024</u>	<u>\$ 132,701,466</u>	<u>\$ 304,833,490</u>

New York State Health Foundation

Notes to Financial Statements December 31, 2019 and 2018

5. Investments (continued)

	2018		
	Level 1	Investments Measured at Net Asset Value (*)	Total
Exchange Traded Funds			
Equity fund	\$ 38,688,457	\$ -	\$ 38,688,457
Fixed income fund	87,864,899	-	87,864,899
Alternative Investments			
Collective trust funds	-	142,904,936	142,904,936
	<u>\$ 126,553,356</u>	<u>\$ 142,904,936</u>	<u>\$ 269,458,292</u>

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

Information regarding investments valued using NAV as practical expedient at December 31, 2019 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Collective trust funds (see "a" below)	<u>\$ 132,701,466</u>	<u>\$ -</u>	Daily	3 Days

- a. These assets are in vehicles organized as collective trust funds and the value of the Foundation's interest in these investments is reported by their respective fund managers. The funds include index funds for domestic equities using the Russell 1000 Index and global equities using the Morgan Stanley All Country World Index (excluding US).

Investments organized as collective trust funds are considered alternative investments for financial reporting purposes. The Foundation believes that there is little risk regarding the valuation of these assets: all of the investments comprise publicly traded securities where market values are readily available and almost all have few restrictions on redemption by the Foundation. All of the investments may be redeemed daily.

As of December 31, 2019, two individual investments represented approximately 34% and 44% of total investments. As of December 31, 2018, three individual investments represented approximately 33%, 30% and 23% of total investments. All of these investments were in broadly diversified index funds.

New York State Health Foundation

Notes to Financial Statements
December 31, 2019 and 2018

6. Federal Excise Tax

The Foundation is exempt from federal income taxes under Section 501(c)(3) and 509(a) of the Internal Revenue Code and has been further classified as a "private foundation."

The Foundation is subject to 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.

Deferred taxes principally arise from the differences between the cost and fair value of investments. The Foundation provides for deferred federal excise tax on the net unrealized appreciation of the fair value of investments at the rate applicable for the following year. The rates used for December 31, 2019 and 2018 are 1.39% and 2%.

7. Grants Payable

The Foundation has entered into grant commitments with certain organizations. Payments to these organizations at December 31, are to be made as follows:

	<u>2019</u>	<u>2018</u>
Less than one year	\$ 3,753,960	\$ 4,683,057
One to three years	<u>1,852,912</u>	<u>1,944,127</u>
	5,606,872	6,627,184
Less: present value discount	<u>106,296</u>	<u>87,207</u>
Grants payable, net	<u>\$ 5,500,576</u>	<u>\$ 6,539,977</u>

To reflect the time value of money, grants payable as of December 31, 2019 and 2018 were discounted to the present value using the Kansas City Federal Reserve outstanding fixed-rate loans rate of 5.135%.

8. Liquidity and Availability of Financial Assets

The following reflect the Foundation's financial assets available as of December 31, 2019, to meet cash needs for general expenditures within one year of the date of the statement of financial position:

Financial assets:	
Cash and cash equivalents	\$ 8,299,695
Investments	<u>304,833,490</u>
Total Financial Assets Available Within One Year	<u>\$ 313,133,185</u>

New York State Health Foundation

Notes to Financial Statements
December 31, 2019 and 2018

8. Liquidity and Availability of Financial Assets *(continued)*

The Foundation's working capital and cash flow are driven by its investment portfolio and investment return. As part of the Foundation's liquidity management strategy, the Foundation seeks to maintain adequate liquidity to meet its obligations, including planned expenditures as approved by the Board. The Foundation structures its financial assets to be available as its grant payments and other general liabilities come due. The Foundation's Chief Investment Officer coordinates with Foundation staff to anticipate liquidity needs.

Funds are withdrawn from the investment account as needed based on grants to be disbursed and other general operating expenses. None of the Foundation's financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the date of the statement of financial position.

9. Expenses by Functional and Natural Classification

Expenses are presented by functional classification in alignment with the overall mission of the Foundation. Expenses are applied directly to a classification or allocated on a reasonable basis that is consistently applied. Salaries, benefits and payroll taxes are allocated according to employees' time spent on various activities related to each category. Other expenses that are allocated on the basis of time and effort are office expenses, insurance and occupancy. Expenses for the year ended December 31, 2019, consisted of the following:

	Program Services	Operations and Governance	Federal Excise Tax Expense	2019 Total
Grants authorized, net	\$ 7,958,845	\$ -	\$ -	\$ 7,958,845
Salaries and wages	2,440,097	362,665	-	2,802,762
Payroll taxes and employee benefits	780,298	115,973	-	896,271
Legal fees	-	1,726	-	1,726
Accounting fees	-	37,726	-	37,726
Other professional fees	90,610	75,495	-	166,105
Depreciation	25,668	3,835	-	29,503
Occupancy	596,431	89,119	-	685,550
Travel and meetings	98,763	43,228	-	141,991
Printing and design	26,961	1,517	-	28,478
Office expenses and IT	128,146	19,030	-	147,176
Insurance	34,903	5,215	-	40,118
Outreach and public events	85,240	1,326	-	86,566
Miscellaneous	-	12,447	-	12,447
Current federal excise tax	-	-	169,555	169,555
Deferred federal excise tax	-	-	106,407	106,407
Total	<u>\$ 12,265,962</u>	<u>\$ 769,302</u>	<u>\$ 275,962</u>	<u>\$ 13,311,226</u>

New York State Health Foundation

Notes to Financial Statements December 31, 2019 and 2018

9. Expenses by Functional and Natural Classification *(continued)*

Expenses for the year ended December 31, 2018, consisted of the following:

	Program Services	Operations and Governance	Federal Excise Tax Expense (Benefit)	2018 Total
Grants authorized, net	\$ 7,883,856	\$ -	\$ -	\$ 7,883,856
Salaries and wages	2,355,645	348,563	-	2,704,208
Payroll taxes and employee benefits	715,406	105,856	-	821,262
Legal fees	-	4,326	-	4,326
Accounting fees	-	35,497	-	35,497
Other professional fees	90,322	-	-	90,322
Depreciation	24,819	3,709	-	28,528
Occupancy	577,491	86,293	-	663,784
Travel and meetings	120,443	51,676	-	172,119
Printing and design	21,994	1,799	-	23,793
Office expenses and IT	129,945	20,219	-	150,164
Insurance	32,546	4,863	-	37,409
Outreach and public events	186,155	-	-	186,155
Miscellaneous	-	10,350	-	10,350
Current federal excise tax	-	-	390,544	390,544
Deferred federal excise tax	-	-	(704,055)	(704,055)
Total	<u>\$ 12,138,622</u>	<u>\$ 673,151</u>	<u>\$ (313,511)</u>	<u>\$ 12,498,262</u>

10. Retirement Plans

The Foundation maintains a 403(b) defined contribution plan, which covers all employees that meet eligibility requirements. The Foundation matched employee contributions up to 7.5% of their annual salary in 2019 and 2018. The Foundation made an additional 5% discretionary employer contribution to the 403(b) plan in 2019 and 2018. The Foundation made contributions totaling \$333,790 and \$334,670 to the plan for 2019 and 2018. The Foundation also maintains a 457(b) plan that is limited to senior level management employees. The Foundation does not make contributions to the 457(b) plan.

11. Commitments

Lease Commitments

The Foundation has a lease for its office space in New York City expiring in February 2026. The lease contains escalation clauses that provide for increase in payments resulting from increases in real estate taxes and certain other building expenses in excess of the base period amounts. The Foundation's policy is to record base rent on a straight-line basis over the term of the lease.

New York State Health Foundation

Notes to Financial Statements
December 31, 2019 and 2018

11. Commitments (*continued*)

The future minimum rental payments under the lease agreement are:

2020	\$ 612,000
2021	654,500
2022	663,000
2023	663,000
2024	663,000
Thereafter	<u>773,500</u>
	<u>\$ 4,029,000</u>

Rent expense totaled \$571,414 annually for both 2019 and 2018.

Rental Income

The Foundation leases part of this space to third parties. One lease agreement is renewable on a quarterly basis. The other lease was renewed on February 1, 2020, expiring on January 31, 2021. The future minimum rental payments to be received under these lease agreements are:

2020	\$ 102,399
2021	<u>8,554</u>
	<u>\$ 110,953</u>

12. Subsequent Events

Subsequent to year end, the COVID-19 pandemic has resulted in substantial volatility in the global financial markets. Because of the response to changing market conditions, the amount of losses, if any, that will be recognized in subsequent periods, cannot be determined.

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New York State Health Foundation

Supplementary Information

**For the Year Ended December 31, 2019
(With Summarized Totals for the Year
Ended December 31, 2018)**

New York State Health Foundation

Schedule of Expenses Year Ended December 31, 2019 (with summarized totals for the year ended December 31, 2018)

	Program Services	Operations and Governance	Investment	2019 Total	2018 Total
Grants authorized, net	<u>\$ 7,958,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,958,845</u>	<u>\$ 7,883,856</u>
Allocated Expenses					
Salaries and wages	2,440,097	362,665	231,578	3,034,340	2,929,346
Payroll taxes and employee benefits	780,298	115,973	42,219	938,490	862,164
Legal fees	-	1,726	-	1,726	4,326
Accounting fees	-	37,726	-	37,726	35,497
Other professional fees	90,610	75,495	50,000	216,105	140,322
Depreciation	25,668	3,835	2,438	31,941	30,904
Occupancy	596,431	89,119	56,644	742,194	719,068
Travel and meetings	98,763	43,228	1,661	143,652	173,731
Printing and design	26,961	1,517	-	28,478	23,793
Office expenses and IT	128,146	19,030	11,535	158,711	161,949
Insurance	34,903	5,215	-	40,118	37,409
Outreach and public events	85,240	1,326	795	87,361	186,155
Miscellaneous	<u>-</u>	<u>12,447</u>	<u>-</u>	<u>12,447</u>	<u>10,350</u>
Total Allocated Expenses	4,307,117	769,302	396,870	5,473,289	5,315,014
Direct Investment Expenses					
Manager fees	<u>-</u>	<u>-</u>	<u>116,599</u>	<u>116,599</u>	<u>127,169</u>
Total	<u>\$ 12,265,962</u>	<u>\$ 769,302</u>	<u>\$ 513,469</u>	<u>\$ 13,548,733</u>	<u>\$ 13,326,039</u>

See independent auditors' report