

**SALEM HEALTH AND  
WELLNESS FOUNDATION, INC.**

**AUDIT REPORT**

**DECEMBER 31, 2013**

SALEM HEALTH AND WELLNESS FOUNDATION, INC.  
REPORT FOR  
THE YEAR ENDED  
DECEMBER 31, 2013

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EDWARD T. GHEYSSENS, JR.  
*Certified Public Accountant*

MEMBER:  
AMERICAN INSTITUTE  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
Salem Health and Wellness Foundation, Inc.

I have audited the accompanying financial statements of Salem Health and Wellness Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgement, 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Salem Health and Wellness Foundation, Inc. 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.

A handwritten signature in black ink, appearing to read 'E. T. Gheysens, Jr.', with a long horizontal flourish extending to the right.

EDWARD T. GHEYSENS, JR.  
Certified Public Accountant

May 6, 2014

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents (Note 2)	\$ 4,150,140	
Prepaid Expenses	15,994	
Investment Income Receivable	9,790	
Investments - SEI Trust company (Note 5)	45,923,018	
<b>TOTAL CURRENT ASSETS</b>		<b>\$ 50,098,942</b>

**NONCURRENT ASSETS**

Assets Held in Perpetuity By Outside Trustees (Note 7)	11,836,947	
Equipment, Net (Note 8)	25,380	
<b>TOTAL NONCURRENT ASSETS</b>		<b>11,862,327</b>

<b>TOTAL ASSETS</b>		<b>\$ 61,961,269</b>
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**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$ 11,711	
Accrued Wages	4,446	
Accrued Payroll Taxes	2,255	
Grants Payable (Note 9)	349,022	
<b>TOTAL LIABILITIES</b>		<b>\$ 367,434</b>

**NET ASSETS**

Unrestricted	\$ 49,756,888	
Permanently Restricted	11,836,947	
<b>TOTAL NET ASSETS</b>		<b>61,593,835</b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 61,961,269</b>
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See accompanying notes and accountant's report.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b><u>REVENUES, GAINS, AND OTHER SUPPORT</u></b>				
Contributions	\$ 76,262			\$ 76,262
Additional Proceeds-Sale of Hospital	107			107
Distributions-Perpetual Trusts	502,514			502,514
Interest Income	45			45
Dividend Income	1,132,600			1,132,600
Realized Gain on Sale of Securities	96,444			96,444
Capital Gain Distributions	28,237			28,237
Unrealized Gain on Investments	3,594,757			3,594,757
Change in Value of Assets Held in Perpetuity by Outside Trustees			\$ 565,828	565,828
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>\$ 5,430,966</b>	<b>\$ -</b>	<b>\$ 565,828</b>	<b>\$ 5,996,794</b>
<b><u>EXPENSES AND LOSSES</u></b>				
Program Services	\$ 536,479			\$ 536,479
Supporting Services:				
Management and General	585,897			585,897
Fundraising	1,716			1,716
<b>TOTAL EXPENSES</b>	<b>\$ 1,124,092</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,124,092</b>
 INCREASE IN NET ASSETS	 \$ 4,306,874	 \$ -	 \$ 565,828	 \$ 4,872,702
NET ASSETS - JANUARY 1, 2013	45,218,897		11,271,119	56,490,016
 PRIOR PERIOD ADJUSTMENT (NOTE 13)	 231,117			 231,117
NET ASSETS - DECEMBER 31, 2013	<b>\$ 49,756,888</b>	<b>\$ -</b>	<b>\$ 11,836,947</b>	<b>\$ 61,593,835</b>

See accompanying notes and accountant's report.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising/ Donor Development</u>	<u>Total</u>
Grants Awarded (Note 9)	\$ 438,324			\$ 438,324
403B Plan Administration		\$ 3,010		3,010
Postage		707		707
Accounting/Audit Fees		17,895		17,895
Marketing/Newsletter		9,066	\$ 150	9,216
Pension Expense		9,786		9,786
Equipment Maintenance		871		871
Insurance		3,344		3,344
Dues & Membership		2,210		2,210
Internet Access Fees		767		767
Legal Fees		7,895		7,895
Meetings and Conferences		4,393		4,393
Miscellaneous		340		340
Office Cleaning		2,530		2,530
Office Supplies		3,075		3,075
Consulting Fees		49,980		49,980
Employee Benefits		1,956		1,956
Office Rent		12,972		12,972
Brokerage Fees - SEI		260,661		260,661
Telephone		3,170		3,170
Travel		4,411		4,411
Wages		165,771		165,771
Payroll Taxes		13,517		13,517
Software Licenses		2,282	1,566	3,848
Subscriptions		650		650
Contributions	98,155			98,155
Depreciation		3,959		3,959
Website Hosting		679		679
	<u>\$ 536,479</u>	<u>\$ 585,897</u>	<u>\$ 1,716</u>	<u>\$ 1,124,092</u>

See accompanying notes and accountant's report.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase in Net Assets		\$ 4,872,702
Adjustments to Reconcile Increase in Net assets to Net Cash Provided by Operating Activities:		
Prior Period Adjustment		231,117
Depreciation		3,959
Realized Gain on Sale of Securities		(96,444)
Unrealized Gain on Investments		(3,594,757)
Change in Assets and Liabilities:		
Increase in Prepaid Expenses		(8,145)
Decrease in Investment Income Receivable		42,853
Increase in Assets Held in Perpetuity by Outside Trustees		(565,828)
Increase in Accounts Payable		1,392
Increase in Accrued Wages		782
Decrease in Accrued Payroll Taxes		(175)
Decrease in Grants Payable		<u>(156,820)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>\$ 730,636</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Equipment Acquisitions		\$ (3,713)
Proceeds - Sales of Investments		40,713,733
Purchases of Investments		<u>(38,306,670)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<b><u>2,403,350</u></b>

<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>3,133,986</b>
<b>CASH AND CASH EQUIVALENTS - JANUARY 1, 2013</b>		<b><u>1,016,154</u></b>
<b>CASH AND CASH EQUIVALENTS - DECEMBER 31, 2013</b>		<b><u><u>\$ 4,150,140</u></u></b>

See accompanying notes and accountant's report.



SALEM HEALTH AND WELLNESS FOUNDATION, INC  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1    NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Foundation was formed to receive the proceeds of the sale of Memorial Hospital of Salem County.

The Foundation's mission is to invest in sustainable initiatives that promote the overall health of Salem County, NJ residents. The Foundation's vision is to be a financial resource for organizations specializing in servicing the health needs that are deemed to be unmet or underserved.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Revenue Recognition

The foundation records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increase in unrestricted net assets if the restrictions expire in the year in which the contributions are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SALEM HEALTH AND WELLNESS FOUNDATION, INC  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional.

Contributed Services

A substantial number of volunteers have donated their time to the foundation. No amounts have been reflected in the accompanying financial statements for donated services since they do not meet the criteria for recognition.

Income Taxes

The Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c)(3).

Property and Equipment

Property and equipment is stated at cost or at their estimated fair value at date of donation. Expenditures which substantially increase the economic useful lives of the assets are capitalized. Expenditures for maintenance and repairs necessary to maintain the assets in efficient operation condition are expensed currently. Assets retired, or otherwise disposed of, are eliminated from their respective assets accounts. Any gains or losses from dispositions, other than trade-ins on like property, are include in income.

Depreciation

Depreciation is computed by using the straight line method over the economic useful lives of the assets. Depreciation rates are based on the following range of lives:

Equipment	3 to 10 Years
Leasehold Improvements	39 Years

Depreciation expense for the year ended December 31, 2013, is \$ 3,959.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

NOTE 1 **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Investments and Investment Risk**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheet. The fair value of substantially all securities is determined by quoted market prices. Investment income or loss (including realized gains and losses on investments, write-downs of the cost basis of investments due to an other-than-temporary decline in fair value, interest and dividends) is included in revenues, gains, and other support in excess of expenses. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Foundations investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the accompanying balance sheet are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying balance sheet could change materially in the near term.

NOTE 2 **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Pennsville National Bank	\$ 145,990
SEI Cash	268,770
SEI Daily Income Prime Obligation Fund (Money Market)	198,377
SEI Liquid Asset Prime Obligation Fund	<u>3,537,003</u>
	<u>\$ 4,150,140</u>

NOTE 3 **CONCENTRATION OF CREDIT RISK**

The Foundation maintains its cash balances and investments in various financial institutions. These deposits exceed the FDIC Insurance limit. However, the Foundation has not experienced any losses in these accounts. The management of the Foundation believes that the financial institutions have strong credit ratings and that the credit risk related to these deposits is minimal.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

NOTE 4 **PROCEEDS – SALE OF MEMORIAL HOSPITAL OF SALEM COUNTY (9/30/2002)**

The net proceeds from the sale of Memorial Hospital of Salem County on 9/30/2002 was \$ 32,207,639. The disposition of said funds was as follows:

To Salem Health and Wellness Foundation	\$ 14,600,000
To US Bank Escrow Account for the Benefit Of Salem Health and Wellness Foundation	10,000,000
To Memorial Hospital of Salem County (seller)	<u>7,607,639</u>
Total Proceeds	<u>\$32,207,639</u>

The amount of the proceeds received by Memorial Hospital of Salem County (seller), \$ 7,607,639, was set aside at settlement in order to meet any outstanding liabilities of Memorial Hospital of Salem County. These funds were transferred to the Fenwick Corporation which was responsible for the administration of said funds for a period of ten years. On the tenth anniversary of the sale of the Hospital, September 30, 2012, the Fenwick Corporation ceased it's business activities and distributed the remaining cash balance in the amount of \$ 2,198 to Salem Health and Wellness Foundation.

NOTE 5 **INVESTMENTS – SEI TRUST COMPANY**

Investments are stated at fair value and are summarized as follows, as of December 31, 2013:

	<u>Fair Value</u>	<u>Cost</u>
SEI Fixed Income Funds	\$ 7,804,508	\$ 7,791,917
SEI Offshore Opportunity Fund II	2,844,374	2,600,000
SEI Core Property Fund	4,548,947	3,700,000
Domestic Equities	17,840,270	12,735,989
SEI International Equities	<u>12,884,919</u>	<u>12,055,269</u>
Total	<u>\$45,923,018</u>	<u>\$38,883,175</u>

NOTE 6 **ESCROW ACCOUNT – US BANK**

An escrow agreement was entered into and effective as of September 30, 2002, by and among the Memorial Hospital of Salem County, Inc. (“seller”), Salem Hospital Corporation (“buyer”), and US Bank (“escrow agent”).

The escrow account was being held for the benefit of Salem Health and Wellness Foundation to the extent it is not used to satisfy certain indemnification obligations of the seller. Income earned on the account was distributed quarterly to Salem Health and Wellness Foundation.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 6**    **ESCROW ACCOUNT – US BANK (continued)**

The buyer and the seller agree that on the five year anniversary of the sale, September 30, 2007, the escrow agent shall disburse 50% of the escrow funds, \$ 5,000,000, to Salem Health and Wellness Foundation. The buyer and seller agree that on the ten year anniversary of the sale, September 30, 2012, the escrow agent shall disburse the remaining escrow funds, \$ 5,000,000, to Salem Health and Wellness Foundation. Both of these transfers were made on the dates specified in the agreement. The escrow agreement has been satisfied and as of December 31, 2013 all funds under escrow have been released to Salem Health and Wellness Foundation.

**NOTE 7**    **ASSETS HELD IN PERPETUITY BY OUTSIDE TRUSTEES**

Assets held in perpetuity by outside trustees are perpetual trusts administered by independent trustees. The assets are recognized at the estimated fair value of the related trust assets, which are generally composed of mutual funds and cash and cash equivalents. Because the trusts are perpetual in nature and the corpus cannot be violated, they are reported as permanently restricted net assets.

<u>Perpetual Trust</u>	<u>Value</u> <u>1/1/13</u>	<u>Value</u> <u>12/31/13</u>	<u>Change</u> <u>In Value</u>	<u>Distributions</u> <u>12/31/13</u>
Fox Trust	\$ 641,217	\$ 672,988	\$ 31,771	\$ 28,247
Huber Trust	125,091	134,784	9,693	4,094
Huber Scholarship	93,367	97,939	4,572	2,869
Rumsey Trust	194,449	208,192	13,743	4,539
Hitchner Trust	9,980,371	10,466,796	486,425	460,000
Parvin Trust	236,624	256,248	19,624	2,765
	<u>\$ 11,271,119</u>	<u>\$ 11,836,947</u>	<u>\$ 565,828</u>	<u>\$ 502,514</u>

**NOTE 8**    **PROPERTY AND EQUIPMENT**

Equipment Consists of the Following:

Equipment	\$ 49,571
Furniture and Fixtures	15,495
Leasehold Improvements	11,762
Total Cost	<u>\$ 76,828</u>
Less: Accumulated Depreciation	<u>(51,448)</u>
	<u>\$ 25,380</u>

**SALEM HEALTH AND WELLNESS FOUNDATION, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

NOTE 9 GRANTS/GRANTS PAYABLE

Grants are recognized as liabilities at the time the board of trustees authorizes the expenditures, regardless of the year in which the grant is paid. A summary of grants and grants payable for 2013 is as follows:

<u>Grant Recipient</u>	<u>Commitment As of 1/1/2013</u>	<u>Grants Awarded During 2013</u>	<u>Grant Pmts Made/ Adjustments During 2013</u>	<u>Commitment As of 12/31/2013</u>
Cooper Health System	\$ 63,917		\$ (63,917)	\$ -
YMCA of Salem County	10,000	\$ 24,774	(22,387)	12,387
Advocates For Children	-	2,500	(2,500)	-
Rutgers University Found.	-	50,000	(25,000)	25,000
Catholic Charities	-	50,000	(25,000)	25,000
Salem H.S. Youth Services	-	28,750	(14,375)	14,375
Food Bank of S.J.	-	4,300		4,300
Puerto Rican Action Comm.	-	15,000		15,000
Salem County Triad	-	6,000		6,000
Center for Supportive Schs.	-	50,000		50,000
Salem County Health Dept	4,500	68,000	(15,000)	57,500
Gateway Comm. Action Ptr	7,920		(3,960)	3,960
S.C. Center For Autism	346,685		(346,685) *	-
The Food Trust	37,500	50,000	(37,500)	50,000
Meals on Wheels	1,000	\$ 15,000	(8,500)	7,500
Pennsville Visiting Nurse	1,000		(1,000) *	-
Family Health Initiatives	23,320	24,000	(23,320)	24,000
Robin's Nest	-	50,000		50,000
NJ Commission for Blind	10,000		(6,000)	4,000
	<u>\$ 505,842</u>	<u>\$ 438,324</u>	<u>\$ (595,144)</u>	<u>\$ 349,022</u>

\*See Note 13, Prior Period Adjustment.

Commitments at December 31, 2013 are payable as follows:

Year Ending December 31, 2014	\$ 292,022
Year Ending December 31, 2015	<u>57,000</u>
Total	<u>\$ 349,022</u>

Grant commitments payable after December 31, 2013 were not discounted to fair value because the discount value would have an immaterial effect on the financial statements.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

NOTE 10 DONATED FACILITIES

On September 8, 2006, the Foundation moved into new office space at 91 S. Virginia Ave., Carneys Point, NJ. This office space has been donated by Pennsville National Bank. The donated facilities will be include as a contribution and the corresponding rental expense at \$ 1,081.04 per month. The value of donated facilities included as contributions in the financial statements and the corresponding rental expense for the year ended December 31, 2013 is \$ 12,972.

NOTE 11 403(B) PENSION PLAN

In May of 2004, the Foundation established a 403(B) retirement plan for its employees. Through December 31, 2010, the plan was an employee contributory plan, only. Effective January 1, 2011, the Foundation will match employee contributions to the retirement plan up to 6% of compensation. The Foundation's matching contribution expense for the year ended December 31, 2013 is \$ 9,786.

NOTE 12 FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (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. 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 FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in an active market. This level includes common stocks, corporate bonds or mutual funds based on the closing price reported in the active market where the securities are traded.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation, or other means.

**SALEM HEALTH AND WELLNESS FOUNDATION, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

NOTE 12 FAIR VALUE MEASUREMENTS (continued)

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A 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 following schedule presents the balances of assets measured at fair value under the Fair Value Option as of December 31, 2013:

	<u>Financial Asset at Fair Value as of December 31, 2013</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash, Time Deposits & Other				
Money Market Instruments	\$ 4,150,140			\$ 4,150,140
Domestic Equities & Mutual				
Funds	25,644,778			25,644,778
International Mutual Funds	12,884,919			12,884,919
Alternative Investments			\$ 7,393,322	7,393,322
	<u>\$42,679,837</u>		<u>\$ 7,393,322</u>	<u>\$50,073,159</u>

NOTE 13 PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2013, two grnts that were awarded in a previous year were terminated or adjusted as follows:

Pennsville Visiting Nurses

The grant that was awarded 2008 had a grant payable balance remaining in the amount of \$ 1,000. It was mutually agreed that this amount was not needed for the original grant purposes and would not be expended by Pennsiville Visiting Nurses. Therefore, grants payable was reduced by \$ 1,000 and recorded as a prior period adjustment.

Salem County Center for Autism

The grant that was awarded in 2008 had a grant payable balance remainig in the amount of \$ 230,117. It was mutually agreed that this amount was not needed for the original grant purposes and would not be expended by Salem county Center for Autism. Therefore, grants payable was reduced by



SALEM HEALTH AND WELLNESS FOUNDATION, INC  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 13 PRIOR PERIOD ADJUSTMENT (continued)

Salem County Center for Autism (continued)

\$ 230,117 and recorded as a prior period adjustment.

Pennsville Visiting Nurses	\$ 1,000
Salem County Center for Autism	<u>230,117</u>
Total Prior period Adjustment	<u><u>\$ 231,117</u></u>

NOTE 14 SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing financial statements ( that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the statement of financial position but arose after that date (that is, non-recognized subsequent events).

The Foundation has evaluated subsequent events through May 6, 2014, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.