

The San Francisco General Hospital Foundation

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

June 30, 2016

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
The San Francisco General Hospital Foundation

We have audited the accompanying financial statements of The San Francisco General Hospital Foundation (a California nonprofit organization), which comprise the statement of financial position as of June 30, 2016, 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.

**Auditors' 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 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 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 above present fairly, in all material respects, the financial position of The San Francisco General Hospital Foundation as of June 30, 2016, 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.

*DZH Phillips LLP*

San Francisco, California  
December 16, 2016

The San Francisco General Hospital Foundation

STATEMENT OF FINANCIAL POSITION

June 30, 2016

**ASSETS**

**ASSETS**

Cash and cash equivalents	\$ 30,070,454
Pledges receivable - net	23,405,422
Other receivables	60,619
Prepaid expenses and deposits	51,988
Inventory - books	1,020
Investments	36,384,927
Furniture and equipment - net	1,623,358
Intangible assets - net	<u>31,910</u>
Total assets	<u><u>\$ 91,629,698</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable	\$ 926,206
Funds held in custody for others	1,142,216
Accrued expenses	<u>97,156</u>
Total liabilities	<u>2,165,578</u>

**NET ASSETS**

Unrestricted	
Undesignated net assets	6,349,867
Board designated net assets	<u>2,000,000</u>
	8,349,867
Temporarily restricted	76,759,824
Permanently restricted	<u>4,354,429</u>
Total net assets	<u>89,464,120</u>
Total liabilities and net assets	<u><u>\$ 91,629,698</u></u>

The accompanying notes are an integral part of this statement.

The San Francisco General Hospital Foundation

STATEMENT OF ACTIVITIES

For the year ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and support				
Donations and bequests	\$ 1,245,482	\$ 8,011,781	\$ -	\$ 9,257,263
Investment income	71,114	422	-	71,536
Special events - net of direct expenses of \$1,273,552	395,229	-	-	395,229
Sale of hearts and heart merchandise	3,832	-	-	3,832
Other income	1,336,234	231,355	-	1,567,589
Net assets released from restrictions	11,892,030	(11,892,030)	-	-
	<u>14,943,921</u>	<u>(3,648,472)</u>	<u>-</u>	<u>11,295,449</u>
Total revenues and support				
Expenses				
Program expenses				
Grants awarded to others	9,872,484	-	-	9,872,484
Other program expenses	3,649,411	-	-	3,649,411
	<u>13,521,895</u>	<u>-</u>	<u>-</u>	<u>13,521,895</u>
Supporting services				
Management and general	1,211,362	-	-	1,211,362
Fundraising	1,151,277	-	-	1,151,277
	<u>15,884,534</u>	<u>-</u>	<u>-</u>	<u>15,884,534</u>
Total expenses				
CHANGE IN NET ASSETS	(940,613)	(3,648,472)	-	(4,589,085)
Net assets - June 30, 2015	<u>9,290,480</u>	<u>80,408,296</u>	<u>4,354,429</u>	<u>94,053,205</u>
Net assets - June 30, 2016	<u>\$ 8,349,867</u>	<u>\$ 76,759,824</u>	<u>\$ 4,354,429</u>	<u>\$ 89,464,120</u>

The accompanying notes are an integral part of this statement.

The San Francisco General Hospital Foundation

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2016

	Program Expenses	Management and General	Fundraising	Total	Total (%)
Grants awarded to others	\$ 9,872,484	\$ -	\$ -	\$ 9,872,484	62.15%
Salaries	494,866	414,805	522,091	1,431,762	9.01%
Payroll taxes	33,745	33,588	36,272	103,605	0.65%
Employee benefits	57,953	48,577	61,141	167,671	1.06%
Advertising and promotion	1,952,571	42,441	2,046	1,997,058	12.57%
Conferences and education	595	864	7,103	8,562	0.05%
Copy and printing	19,264	8,704	73,520	101,488	0.64%
Depreciation and amortization	17,117	19,970	19,970	57,057	0.36%
Dues and subscriptions	1,020	25,944	21,871	48,835	0.31%
Insurance	-	21,966	2,844	24,810	0.16%
Non-fundraising programs and events	286,112	19,024	1,751	306,887	1.93%
Occupancy	1,485	7,454	368	9,307	0.06%
Office supplies	1,691	5,529	490	7,710	0.05%
Office expenses	3,354	36,333	72,747	112,434	0.71%
Postage and delivery	14,727	4,282	95,980	114,989	0.72%
Professional services	757,352	408,075	220,719	1,386,146	8.73%
Public health advocacy	-	100,000	-	100,000	0.63%
Travel and parking expense	7,559	13,806	12,364	33,729	0.21%
Total expenses	<u>\$ 13,521,895</u>	<u>\$ 1,211,362</u>	<u>\$ 1,151,277</u>	<u>\$ 15,884,534</u>	<u>100.00%</u>

The accompanying notes are an integral part of this statement.

The San Francisco General Hospital Foundation

STATEMENT OF CASH FLOWS

For the year ended June 30, 2016

Cash flows provided by (used in) operating activities:	
Change in net assets	\$ (4,589,085)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization expense	57,057
Contributions of stock	(2,667,199)
Net realized and unrealized loss	20,089
Changes in operating assets and liabilities:	
Pledges receivable - net	40,618,459
Other receivables	(30,016)
Prepaid expenses and deposits	(41,496)
Accounts payable and accrued expenses	488,475
Funds held in custody for others	31,737
	<hr/>
Net cash provided by operating activities	33,888,021
	<hr/>
Cash flows provided by (used in) investing activities:	
Purchase of furniture and equipment	(1,460,553)
Purchase of investments	(34,355,358)
Proceeds from sale of investments	3,368,713
	<hr/>
Net cash used in investing activities	(32,447,198)
	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,440,823
	<hr/>
Cash and cash equivalents - beginning of year	28,629,631
	<hr/>
Cash and cash equivalents - end of year	\$ 30,070,454
	<hr/> <hr/>
Supplemental cash flow information:	
Noncash transactions:	
Donated goods and services	\$ 351,534
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

The San Francisco General Hospital Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A - DESCRIPTION OF OPERATIONS

The San Francisco General Hospital Foundation is an independent, tax-exempt, non-profit corporation and the only organization dedicated to raising private support for the hospital. The Foundation's mission is to promote excellence in research, education and care for all at Priscilla Chan and Mark Zuckerberg San Francisco General Hospital and Trauma Center (Zuckerberg San Francisco General), the public safety-net hospital. Zuckerberg San Francisco General is also the Level 1 Trauma Center that serves all who live and/or work in the City and County of San Francisco and in Northern San Mateo County. The Foundation works to ensure that all San Franciscans have the medical care they need, enabling the Hospital to honor its commitment to patients, staff and the community at large.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Foundation's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of accounting

The financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

*Unrestricted Net Assets*

Unrestricted net assets consist of all resources received to help further the Foundation's primary purpose to act for the benefit of the Hospital that have not been restricted as to time or a specific purpose by a donor.

*Temporarily Restricted Net Assets*

Temporarily restricted net assets include cash and other assets received with donor stipulations that limit the use of the donated assets. Donor stipulations are either purpose or time restricted. Upon expiration of a time restriction or completion of a purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The San Francisco General Hospital Foundation  
NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial statement presentation (continued)

*Permanently Restricted Net Assets*

Permanently restricted net assets consist of assets where the use has been restricted by donor imposed stipulations that neither expire by passage of time nor can otherwise be removed by actions of the Foundation.

Cash and cash equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Cash held in the investment accounts as part of the Foundation's investment portfolio is classified as investments.

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Such balances, at times, may be in excess of federally insured amounts (currently \$250,000 per depositor). Certain investment accounts are insured up to \$500,000 by the Securities Investor Protection Corporation (SIPC). The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Investments

Investments in marketable securities are recorded at fair value based on quoted prices in active markets. Investments in certificates of deposit are carried at cost plus accrued interest (which approximates fair value). Donated securities are initially reported at fair value at the date of donation. Gains and losses on securities sales are determined by the specific identification method. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Fair value measurements

The Foundation considers the use of market-based information over entity specific information in valuing its marketable investments, using a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability at the measurement date.

The San Francisco General Hospital Foundation  
NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

The three-level hierarchy for fair value measurements is defined as follows:

- *Level 1* inputs to the valuation methodology - quoted prices (unadjusted) for identical assets or liabilities in active markets.
- *Level 2* inputs to the valuation methodology - quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the investment.
- *Level 3* inputs to the valuation methodology - unobservable and significant to the fair value measurement.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Furniture and equipment

Furniture and equipment purchased with estimated useful lives in excess of one year are capitalized at cost. Donated assets are capitalized at the fair market value on the date of receipt. Depreciation is computed on the straight-line method using an estimated useful life between three and ten years. The Foundation capitalizes furniture and equipment purchases in excess of \$500.

Promises to give

The Foundation recognizes all unconditional gifts and pledges in the period notified. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Recognition of revenue

Contributions are reflected in the accounts of the Foundation when their receipt is reasonably assured. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions.

Contributions and pledges receivable are reviewed for collectability, and reserves for uncollectible amounts are established when needed.

The San Francisco General Hospital Foundation  
NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

Advertising costs are expensed as incurred.

Income taxes

The Foundation is qualified as a tax exempt organization under Internal Revenue Code Section 501(c)(3) and by the California Revenue and Taxation Code under Section 23701d. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

Each year, management considers whether any material tax position the Foundation has taken is more likely than not to be sustained upon examination by the applicable taxing authority. Management believes that any positions the Foundation has taken are supported by substantial authority and, hence, do not need to be measured or disclosed in the accompanying financial statements.

Functional expense allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among program services based on estimates of employees' time incurred and on usage of resources.

Program expenses include grants to the Hospital for programs to improve patient care and comfort.

Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Fundraising expenses are costs of all activities that constitute an appeal for financial support, that is, costs incurred to induce others to contribute money, securities, time, materials, or facilities to the Foundation.

The San Francisco General Hospital Foundation  
NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent events

Management has evaluated subsequent events through the date the financial statements are available to be issued, December 16, 2016.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable at June 30, 2016 consist of the following:

Receivable in one year or less	\$ 10,265,447
Receivable in one to five years	11,191,129
Receivable in more than five years	<u>2,950,000</u>
	24,406,576
Less: discount to present value	<u>(837,711)</u>
	23,568,865
Less: allowance for uncollectible pledges	<u>(163,443)</u>
	<u>\$ 23,405,422</u>

These receivables have been discounted using an interest rate of 1.8%.

The San Francisco General Hospital Foundation  
NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE D - INVESTMENTS

Cost and fair values of investments consist of the following as of June 30, 2016:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation</u>
Cash & Cash Equivalents	\$ 123,083	\$ 123,083	\$ -
Equities			
Basic Industry	116,399	109,314	7,085
Industrials	79,771	67,508	12,263
Consumer	185,699	137,282	48,417
Technology	312,372	258,198	54,174
Communications	62,820	54,567	8,253
Energy	115,396	150,976	(35,580)
Finance	117,907	98,170	19,737
Healthcare	338,496	255,251	83,245
Transportation	30,355	26,625	3,730
Mutual Funds			
Equity Funds	29,297	32,100	(2,803)
Bond Funds	50,834	52,500	(1,666)
U.S. Treasury Bills	33,726,236	33,718,691	7,545
Corporate Bonds	985,630	989,113	(3,483)
Real Estate Investment Trust	49,532	52,967	(3,435)
Exchange Traded Funds	61,100	88,209	(27,109)
	<u>\$ 36,384,927</u>	<u>\$ 36,214,554</u>	<u>\$ 170,373</u>

Investment income consists of the following for the year ended June 30, 2016:

Dividends and interest	\$ 91,625
Net realized and unrealized loss	<u>(20,089)</u>
	<u>\$ 71,536</u>

The San Francisco General Hospital Foundation

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE E - FAIR VALUE MEASUREMENTS

The Foundation's assets measured at fair value on a recurring basis at June 30, 2016 consist of the following:

	Fair Value Measurements at June 30, 2016			Total
	Level 1	Level 2	Level 3	
Cash & Cash Equivalents	\$ -	\$ 123,083	\$ -	\$ 123,083
Equities				
Basic Industry	116,399	-	-	116,399
Industrials	79,771	-	-	79,771
Consumer	185,699	-	-	185,699
Technology	312,372	-	-	312,372
Communications	62,820	-	-	62,820
Energy	115,396	-	-	115,396
Finance	117,907	-	-	117,907
Healthcare	338,496	-	-	338,496
Transportation	30,355	-	-	30,355
Mutual Funds				
Equity Funds	29,297	-	-	29,297
Bond Funds	50,834	-	-	50,834
U.S. Treasury Bills	-	33,726,236	-	33,726,236
Corporate Bonds	-	985,630	-	985,630
Real Estate Investment Trust	49,532	-	-	49,532
Exchange Traded Funds	61,100	-	-	61,100
	<u>\$ 1,549,978</u>	<u>\$ 34,834,949</u>	<u>\$ -</u>	<u>\$ 36,384,927</u>

The San Francisco General Hospital Foundation  
 NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE F - FURNITURE AND EQUIPMENT - NET

Furniture and equipment consist of the following at June 30, 2016:

Furniture and equipment - at cost	\$ 1,081,470
Less: accumulated depreciation	<u>(295,128)</u>
	786,342
Furniture and equipment not placed in service yet	<u>837,016</u>
	<u><u>\$ 1,623,358</u></u>

Depreciation expense for the year ended June 30, 2016 amounted to \$51,193.

NOTE G - INTANGIBLE ASSETS - NET

Intangible assets consist of website development costs with a gross carrying amount of \$80,888 and accumulated amortization of \$48,978. Such costs are amortized on the straight-line method over an estimated useful life of 10 years. Amortization expense for the year ended June 30, 2016 amounted to \$5,864.

Amortization expense is expected to be as follows:

Year ending June 30,	
2017	\$ 5,414
2018	5,414
2019	5,414
2020	4,286
2021	3,159
Thereafter	<u>8,223</u>
	<u><u>\$ 31,910</u></u>

The San Francisco General Hospital Foundation  
 NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE H - FUNDS HELD IN CUSTODY FOR OTHERS

The Foundation acts as a fiscal agent for several organizations providing services to the Hospital and affiliates. In return for providing such services, the Foundation charges a fiscal agent fee of up to ten percent of the funds received.

Balance - beginning of year	\$ 1,110,479
Funds received	873,711
Funds disbursed	<u>(841,974)</u>
Balance - end of year	<u><u>\$ 1,142,216</u></u>

Fiscal agent fees amounted to \$59,121 for the year ended June 30, 2016.

NOTE I - BOARD DESIGNATED NET ASSETS

Board designated net assets represent funds set aside for long-term purposes, but not formally intended to be used as an endowment fund during the year ended June 30, 2016. Since the amount of board designated net assets resulted from an internal designation rather than a donor restriction, it is classified and reported under unrestricted net assets.

NOTE J - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2016 are available for the following purposes:

AIDS/HIV Programs	\$ 651,156
Children's Programs	1,003,315
Education Programs	4,163,874
Lectureship Programs	127,543
Patient Care Programs	4,729,719
Volunteers' Program	328,218
Women's Program	1,380,330
The Heart of Our City Campaign	<u>64,375,669</u>
	<u><u>\$ 76,759,824</u></u>

The San Francisco General Hospital Foundation

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE K - NET ASSETS RELEASED FROM RESTRICTIONS

The Foundation raises temporarily restricted donations for projects providing goods and services at Zuckerberg San Francisco General. The activities and balances for these projects have been combined and reported as temporarily restricted net assets in the accompanying financial statements. Temporarily restricted net assets can be released from restriction when the Foundation receives an approved disbursement request from the fund administrator. Net assets released from donors' restrictions by incurring allowable expenses for the year ended June 30, 2016 were as follows:

AIDS/HIV Programs	\$ 356,195
Children's Programs	123,657
Education Programs	2,059,212
Lectureship Programs	26,259
Patient Care Programs	1,797,619
Volunteers' Program	174,674
Women's Program	421,465
The Heart of Our City Campaign	6,932,949
	<u>\$ 11,892,030</u>

NOTE L – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets (endowments) are restricted to the following:

General operations	\$ 4,164,429
Volunteer program	190,000
	<u>\$ 4,354,429</u>

NOTE M - ENDOWMENT FUND

The Foundation's endowments consists of two funds established for general operations and the volunteer program and include only donor-restricted endowment funds. These funds are classified as permanently restricted net assets. At June 30, 2016, the Foundation did not have any board designated endowment funds.

The San Francisco General Hospital Foundation  
NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE M - ENDOWMENT FUND (continued)

The Foundation is subject to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) governing endowments. The Foundation has interpreted this law 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, the Foundation classifies as permanently restricted net assets a) the original value of the gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. 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 standards of prudence under the law.

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 UPMIFA requires the Foundation to retain as a fund of perpetual duration. At June 30, 2016, the fair market value of the assets associated with the donor endowment funds was below the level required to be retained as funds of perpetual duration, resulting in a decrease in unrestricted net assets of \$9,882. This deficiency resulted from unfavorable market fluctuations during the current year.

The Foundation has adopted investment policies for endowment assets that attempt to provide for a stable stream of earnings to provide on-going financial support. Under this policy, the endowment assets are invested in a manner that is intended to produce results that earn an average annual return of approximately 6%. To satisfy its long term rate-of-return objective, 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 investment of these funds is guided by an investment policy statement that considers general economic conditions, asset diversification, total returns, risk management, the needs of the institution, and investment costs and fees to achieve the Foundation's long-term return objectives with prudent risk constraints.

The San Francisco General Hospital Foundation  
 NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE M - ENDOWMENT FUND (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - beginning of year	\$ -	\$ -	\$ 4,354,429	\$ 4,354,429
Investment return:				
Interest and dividends		714		714
Net realized and unrealized loss	(9,882)	(714)		(10,596)
	<u>(9,882)</u>	<u>-</u>	<u>4,354,429</u>	<u>4,344,547</u>
Appropriation for expenditure		-		
Endowment net assets - end of year	<u>\$ (9,882)</u>	<u>\$ -</u>	<u>\$ 4,354,429</u>	<u>\$ 4,344,547</u>

NOTE N - DONATED GOODS AND SERVICES

Donated products and services that would otherwise have been purchased are included in donations, grants and bequests in the accompanying statement of activities. Such donated goods and services for the year ended June 30, 2016 consist of the following:

Food for fundraising event	\$ 19,064
Facility rental - fundraising event	200,000
Artwork	57,000
Video production	30,000
Architectural consulting	20,000
Other	25,470
	<u>\$ 351,534</u>

NOTE O - RETIREMENT PLAN

The Foundation has a 403(b) retirement plan. All employees are eligible to participate and may contribute any portion of their compensation up to the statutory maximum amount. The plan allows for discretionary employer contributions. Total employer contributions for the year ended June 30, 2016 amounted to \$24,450.

The San Francisco General Hospital Foundation  
NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE P - THE HEART OF OUR CITY CAMPAIGN

The campaign for Priscilla Chan and Mark Zuckerberg San Francisco General Hospital and Trauma Center has been a multi-year fundraising effort to support the acquisition of furniture, fixtures and equipment needed as part of the building of the new Acute Care and Trauma Center at Zuckerberg San Francisco General. The Heart of Our City Campaign has been conducted under the authority of the San Francisco General Hospital Foundation Board of Directors and in coordination with Zuckerberg San Francisco General's administration. Active fundraising efforts for the campaign concluded in December 2015.

NOTE Q - CONCENTRATIONS

Approximately 44% of total donations and bequests came from three donors. Approximately 64% of gross pledges receivable at June 30, 2016 are due from three donors.