



CASACOLUMBIA

Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

The Board of Directors
CASAColumbia:

We have audited the accompanying financial statements of CASAColumbia (CASA), which comprise the balance sheet 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 U.S. generally accepted accounting principles; 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 organization'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 organization'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 CASAColumbia as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.



Report on Summarized Comparative Information

We have previously audited CASA's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 29, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

April 24, 2014

CASACOLUMBIA

Balance Sheet

December 31, 2013

(with comparative financial information as of
December 31, 2012)

Assets	2013	2012
Cash and cash equivalents	\$ 789,433	605,010
Grants and contributions receivable, net (note 4)	2,787,427	5,105,325
Prepaid expenses and other assets	276,077	277,459
Investments (note 3)	55,331,296	51,925,271
Property and equipment, net (note 5)	9,602,178	9,989,547
Total assets	<u>\$ 68,786,411</u>	<u>67,902,612</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,207,738	1,567,489
Deferred revenue	673,292	240,763
Bonds payable (note 6)	14,000,000	14,000,000
Total liabilities	<u>15,881,030</u>	<u>15,808,252</u>
Net assets:		
Unrestricted:		
Available for operations	6,398,657	6,150,438
Amounts designated for (note 2):		
The Joseph A. Califano, Jr. Institute for Applied Policy	7,821,613	5,328,218
Program Concentration Fund	34,212,234	34,341,645
Total unrestricted	48,432,504	45,820,301
Temporarily restricted (note 8)	4,472,877	6,274,059
Total net assets	<u>52,905,381</u>	<u>52,094,360</u>
Total liabilities and net assets	<u>\$ 68,786,411</u>	<u>67,902,612</u>

See accompanying notes to financial statements.

CASACOLUMBIA

Statement of Activities

Year ended December 31, 2013
(with summarized financial information for the
year ended December 31, 2012)

	2013			2012
	Unrestricted	Temporarily restricted	Total	Total
Revenues:				
Grants	\$ 463,954	545,170	1,009,124	2,031,356
Contributions	169,543	376,048	545,591	395,176
Net investment return (note 3)	6,323,466	—	6,323,466	4,814,212
Donated services	74,823	—	74,823	144,181
Special events (note 4)	1,464,576	—	1,464,576	1,637,895
Less direct benefits to donors (note 4)	(144,720)	—	(144,720)	(118,564)
Net special events revenues	1,319,856	—	1,319,856	1,519,331
Rental income (note 5)	392,869	—	392,869	392,869
Miscellaneous revenue	1,535	—	1,535	6,328
Net assets released from restrictions:				
Satisfaction of purpose restrictions	2,142,333	(2,142,333)	—	—
Expiration of time restrictions	576,667	(576,667)	—	—
Total revenues	11,465,046	(1,797,782)	9,667,264	9,303,453
Expenses and losses:				
Program operations:				
Public policy	1,732,199	—	1,732,199	1,197,113
Health and treatment research	1,964,729	—	1,964,729	2,535,252
Research and program development	1,794,305	—	1,794,305	1,977,537
Communications and outreach	983,391	—	983,391	668,615
Special projects	294,671	—	294,671	744,068
CASA Columbia fellows and scholars	—	—	—	64,307
Total program operations	6,769,295	—	6,769,295	7,186,892
Supporting services:				
Administration	1,685,787	—	1,685,787	1,494,765
Fund-raising (note 4)	397,761	—	397,761	461,209
Total supporting services	2,083,548	—	2,083,548	1,955,974
Total expenses	8,852,843	—	8,852,843	9,142,866
Losses on uncollectible grants receivable	—	3,400	3,400	—
Total expenses and losses	8,852,843	3,400	8,856,243	9,142,866
Increase (decrease) in net assets	2,612,203	(1,801,182)	811,021	160,587
Net assets at beginning of year	45,820,301	6,274,059	52,094,360	51,933,773
Net assets at end of year	\$ 48,432,504	4,472,877	52,905,381	52,094,360

See accompanying notes to financial statements.

CASACOLUMBIA

Statement of Functional Expenses

Year ended December 31, 2013
(with summarized financial information for the
year ended December 31, 2012)

	<u>Public policy</u>	<u>Health and treatment research</u>	<u>Research and program development</u>	<u>Communications and outreach</u>
Salaries and wages	\$ 1,067,361	823,499	1,060,904	476,873
Fringe benefits	330,882	255,285	328,880	147,831
Total salaries and wages and fringe benefits	1,398,243	1,078,784	1,389,784	624,704
Professional services	97,339	139,143	96,169	185,557
Communications/marketing/promotional	204	—	—	22,870
Pass-through grants and contracts	—	501,018	—	—
Office expenses and supplies	1,234	11,778	2,785	7,551
Postage and delivery	263	433	280	91
Telephone and facsimile	141	4,231	3,741	470
Occupancy and related costs	101,594	78,383	100,979	45,390
Equipment maintenance	78	6,620	237	1,784
Printing and duplicating	19	70	—	29
Travel, meetings, and conferences	10,002	39,267	6,947	2,980
Dues, subscriptions, and publications	1,948	11,545	9,185	37,844
Insurance	18,537	14,301	18,424	8,282
Interest/financing	24,646	19,015	24,497	11,012
Recruitment	—	—	63,798	—
Depreciation and amortization	77,951	60,141	77,479	34,827
Miscellaneous	—	—	—	—
Total expenses	<u>\$ 1,732,199</u>	<u>1,964,729</u>	<u>1,794,305</u>	<u>983,391</u>
Direct benefit to donors				

See accompanying notes to financial statements.

Special projects	Total program operations	Supporting services			Total expenses	
		Administration	Fund-raising	Total supporting services	2013	2012
175,333	3,603,970	534,388	116,738	651,126	4,255,096	4,403,739
54,353	1,117,231	170,437	36,141	206,578	1,323,809	1,314,632
229,686	4,721,201	704,825	152,879	857,704	5,578,905	5,718,371
16,878	535,086	256,184	195,332	451,516	986,602	1,061,486
4,983	28,057	61	16,251	16,312	44,369	53,042
—	501,018	—	—	—	501,018	641,726
4,440	27,788	37,996	—	37,996	65,784	95,268
493	1,560	6,147	1,402	7,549	9,109	11,521
42	8,625	39,344	5	39,349	47,974	24,255
16,688	343,034	138,123	11,108	149,231	492,265	484,972
436	9,155	55,776	4,160	59,936	69,091	80,601
442	560	4,278	14	4,292	4,852	7,246
78	59,274	21,615	259	21,874	81,148	86,503
52	60,574	12,052	—	12,052	72,626	47,372
3,045	62,589	21,949	2,027	23,976	86,565	84,797
4,049	83,219	42,910	2,695	45,605	128,824	200,802
—	63,798	755	—	755	64,553	83,062
12,805	263,203	124,306	8,523	132,829	396,032	393,007
554	554	219,466	3,106	222,572	223,126	68,835
294,671	6,769,295	1,685,787	397,761	2,083,548	8,852,843	9,142,866
					144,720	118,564
					\$ 8,997,563	9,261,430

CASACOLUMBIA

Statement of Cash Flows

Year ended December 31, 2013
(with comparative financial information for the
year ended December 31, 2012)

	2013	2012
Cash flows from operating activities:		
Increase in net assets	\$ 811,021	160,587
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation and amortization	396,032	393,007
Net unrealized (appreciation) depreciation in fair value of investments	(3,545,010)	666,534
Net realized gains on investments	(1,533,312)	(3,518,847)
Losses on uncollectible grants receivable	3,400	—
Changes in operating assets and liabilities:		
Grants and contributions receivable	2,314,498	1,892,235
Prepaid expenses and other assets	1,382	22,597
Accounts payable and accrued expenses	(359,751)	67,021
Deferred revenue	432,529	(40,847)
Net cash used in operating activities	(1,479,211)	(357,713)
Cash flows from investing activities:		
Proceeds from sales of investments	11,135,733	27,329,214
Purchases of investments	(9,463,436)	(26,733,338)
Acquisitions of property and equipment	(8,663)	(166,511)
Net cash provided by investing activities	1,663,634	429,365
Net increase in cash and cash equivalents	184,423	71,652
Cash and cash equivalents at beginning of year	605,010	533,358
Cash and cash equivalents at end of year	\$ 789,433	605,010
Supplemental disclosures of cash flow information:		
Interest paid	\$ 14,157	24,029
Donated services	74,823	144,181

See accompanying notes to financial statements.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

(1) Organization and Tax-Exempt Status

Incorporated in April 1991, CASAColumbia (CASA), formerly The National Center on Addiction and Substance Abuse at Columbia University, is a not-for-profit organization that informs Americans of the economic and social costs of addiction and risky substance use and its impact on their lives; assesses what works in prevention, treatment and disease management; and encourages every individual and institution to take responsibility to reduce these health problems. CASA strives to provide health care providers, policymakers and individuals with the tools they need to succeed and to remove the stigma of addiction, replacing shame and despair with hope.

CASA has been classified as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3). It has been classified as an organization that is not a private foundation under Section 509(a) and has been designated as a “publicly supported” organization under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) Basis of Presentation

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CASA and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets also include amounts designated for The Joseph A. Califano, Jr. Institute for Applied Policy and the Program Concentration Fund (the PCF). A description of each follows.

In 2010, the CASA Board of Directors authorized a fund-raising campaign and agreed that the funds raised would be used to establish The Joseph A. Califano, Jr. Institute for Applied Policy. This fund supports research to enhance awareness, among the general public and policymakers, of the facts and costs of substance abuse and addiction, and catalyze the design and implementation of policies and programs for prevention and treatment of substance abuse and addiction as a medical condition. Its efforts aim to embed a fuller understanding into policy systems and practical programs at the national, state, and local levels.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

The net assets of the PCF are designated by CASA to be used for the research and understanding of substance abuse, often before projects are ready for specific program funding. The PCF underwrites the research and program development capacity to accomplish this. The asset allocation target objectives for the investment portfolio are achieved by using a combination of diversified low-cost mutual funds and multi-strategy funds.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met by either actions of CASA and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(c) ***Fair Value Measurements***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that CASA has the ability to access at the measurement date.
- Level 2 inputs include quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities, as well as any alternative investments (measured at net asset value) that are redeemable at or near the balance sheet date.
- Level 3 inputs are unobservable inputs for the assets or liability as well as any alternative investments (measured at net asset value) that are not redeemable at or near the balance sheet date.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

(d) Cash and Cash Equivalents

Cash and cash equivalents include all short-term liquid investments with original maturities of three months or less, except for those short-term investments held by CASA's investment managers as part of a long-term investment strategy.

(e) Investments

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, as determined by quoted market prices.

Investments in funds that do not have readily determinable fair values (alternative investments) are measured at estimated fair value using net asset value per share or its equivalent as reported by the fund managers. The estimated fair values may differ significantly from values that would have been used had a ready market for these securities existed. These values are reviewed and evaluated by management. Given that the net asset value reported by each fund is used as a practical expedient to estimate the fair value of CASA's interest therein, the classification in the fair value hierarchy as Level 2 or Level 3 is based on CASA's ability to redeem its interest at or near the balance sheet date. Interests that can be redeemed generally within 90 days of the balance sheet date are classified in Level 2.

Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and interest and dividends are recognized as revenue in the period earned.

(f) Property and Equipment

Property and equipment are recorded at cost. Furniture and equipment are depreciated on a straight-line basis over their estimated useful lives of 3 to 10 years. The condominium interest and improvements are depreciated on a straight-line basis over their estimated useful lives of 40 years.

(g) Donated Services

The value of donated services (principally legal services) is based on information obtained from the providers and is reported as both revenues and expenses in the accompanying statement of activities.

(h) Grants and Contributions

Grants and contributions, including unconditional promises to give, are reported as revenues in the period received except those grants that are deemed to be exchange transactions, which are reported as revenue as expenses are incurred. Grants and contributions receivable are reported at their discounted net present value (using a discount rate of 0.89% to 2.42%). An allowance for amounts estimated to be uncollectible is provided based upon management judgment, including such factors as prior collection history and type of grants and contributions.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

(i) Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(j) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) Fair Value Disclosures of Financial Instruments

Management estimates that the carrying value of CASA's bonds payable is not materially different from its fair value at December 31, 2013 and 2012 because the bonds bear variable interest rates that are not significantly different from current market rates for loans with similar maturity and credit quality. The fair value of investments is discussed in note 3. The carrying amount of CASA's other financial instruments, including grants and contributions receivable and accounts payable and accrued expenses, approximates fair value due to their short-term maturity. The estimated fair values, however, involve unobservable inputs considered to be Level 3 in the fair value hierarchy.

(l) Prior Year Summarized Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or function in the accompanying statement of activities and the statement of functional expenses, respectively. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with CASA's financial statements as of and for the year ended December 31, 2012, from which the summarized information was derived.

(m) Subsequent Events

In connection with the preparation of the financial statements, CASA evaluated events after the balance sheet date of December 31, 2013 through April 24, 2014, which was the date the financial statements were issued, and determined that there were no additional matters that are required to be disclosed.

(3) Investments

CASA 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 changes could materially affect the amounts reported in the balance sheet.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

The following tables present the fair value hierarchy for investments, the only financial instruments measured at fair value, as of December 31, 2013 and 2012:

		2013			
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$	1,849,939	1,849,939	—	—
Fixed-income mutual funds		9,504,875	9,504,875	—	—
Equity mutual funds:					
Domestic		19,901,519	19,901,519	—	—
International		12,680,740	12,680,740	—	—
Balanced mutual funds		2,980,751	2,980,751	—	—
Alternative investments:					
Absolute return fund		4,197,846	—	—	4,197,846
Event-driven fund		4,215,626	—	4,215,626	—
Total investments	\$	<u>55,331,296</u>	<u>46,917,824</u>	<u>4,215,626</u>	<u>4,197,846</u>

		2012			
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$	728,463	728,463	—	—
Fixed-income mutual funds		11,694,896	11,694,896	—	—
Equity mutual funds:					
Domestic		17,188,446	17,188,446	—	—
International		10,770,529	10,770,529	—	—
Balanced mutual funds		3,798,211	3,798,211	—	—
Alternative investments:					
Absolute return fund		3,905,488	—	—	3,905,488
Event-driven fund		3,839,238	—	3,839,238	—
Total investments	\$	<u>51,925,271</u>	<u>44,180,545</u>	<u>3,839,238</u>	<u>3,905,488</u>

In addition to mutual funds, CASA holds shares or units in alternative investment funds. These strategies involve funds whose managers have the authority to invest in various asset classes at their discretion. The investment strategies in these alternative investments are as follows:

Absolute return fund – This investment follows an absolute return approach that combines relative value and arbitrage strategies with opportunistic investments. The investment seeks capital preservation through superior risk-adjusted returns with relatively low volatility and relatively low correlation to most major market indices. The fund generally strives to hedge most systematic risks, including equity, currency, and commodity risk and to selectively take exposure to interest rate, curve, credit spread, credit default, volatility, and various idiosyncratic risks.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

Event-driven fund – The fund seeks to achieve capital appreciation and engages primarily in event-driven investments to exploit situations in which announced or anticipated events create inefficiencies in the pricing of securities. The investment process is bottom up, with each position judged on its relative risk/reward versus short-term interest rates. In periods of less opportunity, the fund prefers to hold cash rather than increase the risk profile of the portfolio. The fund invests primarily in the securities of issuers experiencing financial distress, that are attempting to complete an out-of-court restructuring, are involved in a bankruptcy or similar proceeding, and/or are involved in substantial litigation or that are the subject of proposed changes in corporate structure or control, such as tender or exchange offers, mergers, unsolicited merger proposals, spin-offs, split-offs, liquidations, and recapitalizations.

Redemption for the absolute return fund is allowed quarterly with 90 days' notice with a maximum redemption of 25% per quarter and redemption for the event-driven fund is allowed quarterly with 60 days' notice.

The following table presents the reconciliation for all Level 3 investments for the years ended December 31, 2013 and 2012:

	2013	2012
	Absolute return hedge fund	Absolute return hedge fund
Balance at beginning of year	\$ 3,905,488	—
Purchases	—	3,905,488
Net appreciation in fair value of investments	292,358	—
Balance at end of year	\$ 4,197,846	3,905,488

Net investment return for the years ended December 31, 2013 and 2012 consists of the following:

	2013	2012
Interest and dividends	\$ 1,245,144	1,961,899
Net unrealized appreciation (depreciation) in fair value of investments	3,545,010	(666,534)
Net realized gains on investments	1,533,312	3,518,847
	\$ 6,323,466	4,814,212

CASACOLUMBIA

Notes to Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

(4) Grants and Contributions

Grants and contributions receivable are scheduled to be collected as follows at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Less than one year	\$ 1,718,180	3,242,453
One to five years	1,083,825	1,860,000
Greater than five years	<u>50,000</u>	<u>100,000</u>
	2,852,005	5,202,453
Discount to present value of future cash flows	<u>(64,578)</u>	<u>(97,128)</u>
Grants and contributions receivable, net	<u>\$ 2,787,427</u>	<u>5,105,325</u>

During 2013 and 2012, 71% and 82%, respectively, of grants and contributions revenues were from six funding sources. At December 31, 2013 and 2012, 56% of grants and contributions receivable, net, were from three funding sources.

During 2013 and 2012, CASA held its annual Anniversary Celebration and Awards Benefit Dinner. Revenues totaled \$1,464,576 and \$1,637,895 in 2013 and 2012, respectively. Total costs for these events, totaling \$371,518 and \$409,960 in 2013 and 2012, respectively, are included in either direct benefits to donors or fund-raising expense in the accompanying statement of activities.

(5) Property and Equipment

Property and equipment at December 31, 2013 and 2012 consist of the following:

	<u>2013</u>	<u>2012</u>
Condominium interest and improvements	\$ 14,336,095	14,336,095
Furniture and equipment	<u>1,661,937</u>	<u>1,653,274</u>
	15,998,032	15,989,369
Accumulated depreciation and amortization	<u>(6,395,854)</u>	<u>(5,999,822)</u>
Property and equipment, net	<u>\$ 9,602,178</u>	<u>9,989,547</u>

CASACOLUMBIA

Notes to Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

CASA leases a portion of its condominium under an operating lease that expires in September 2015. Total lease income in 2013 and 2012 was \$392,869. Future minimum lease payments are as follows:

Year ending December 31:	
2014	\$ 392,869
2015	<u>294,652</u>
	<u>\$ 687,521</u>

(6) Bonds Payable

In 2000, the New York City Industrial Development Agency (the Agency) issued \$14 million in Adjustable Rate Demand Civic Facility Revenue Bonds, Series 2000 (2000 CASA Project) to refinance a note that was used to finance the purchase of condominium units (the Facility). The bonds consist of term bonds with a maturity of March 1, 2020, at an initial interest rate of 3.85%. During 2013, the interest rates ranged from 0.05% to 0.24% per annum. During 2012, the interest rates ranged from 0.07% to 0.25% per annum. The bonds are supported by an irrevocable direct-pay letter of credit from JPMorgan Chase Bank in the amount of \$14,230,137, which has been extended through March 2015. Under the terms of the letter of credit reimbursement agreement, CASA is required to comply with certain financial covenants. CASA complied with those covenants as of and for the year ended December 31, 2013.

The trustee of the bonds holds a mortgage note on the Facility secured by the property on which the Facility was built, as well as the condominium and improvements, furniture, and fixtures thereon.

In conjunction with the financing, the parties thereto agreed that the Agency would take title to all assets constructed from the proceeds of the financing. Concurrently, CASA entered into a lease agreement with the Agency to lease those assets. Title to these assets transfers to CASA when the bonds are extinguished. Accordingly, the proceeds of the bonds and the property, which are the subject of the lease agreement, and the outstanding bonds are included in the accompanying balance sheet.

(7) Pension Plan

CASA has a noncontributory defined-contribution pension plan covering substantially all employees. Contributions are based on the following formula: 8.0% of the first \$113,700 of annual salary and 13.7% of annual salary in excess of \$113,700 to a maximum of \$255,000. Total pension expense for the years ended December 31, 2013 and 2012 was \$327,526 and \$325,530, respectively.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2013

(with comparative financial information as of
December 31, 2012)

(8) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Communications	\$ 195,587	236,723
Public policy	3,139,256	3,601,100
Health and treatment research	122,427	1,056,966
Special projects	89,179	184,336
Future periods	926,428	1,194,934
	<u>\$ 4,472,877</u>	<u>6,274,059</u>