

2013 ANNUAL REPORT



THE HUNT FAMILY FOUNDATION

Mission Statement

Our goal is to assist efforts that build the economic vitality of our city and region, while providing a better quality of life for its residents.

Since 1987, the Hunt Family Foundation (the “Foundation”) has predominantly supported charitable organizations and initiatives that target the areas in and around El Paso County, Texas, Doña Ana County, New Mexico, Otero County, New Mexico, and Ciudad Juárez, Chihuahua, México (the “Paso del Norte” region). The Foundation also supports organizations whose programs impact the state of Texas, and the nation as a whole.

Officers

Chairman: Woody L. Hunt
President: Joshua W. Hunt
Vice President: Gayle G. Hunt
Vice President: William C. Sanders, CPA
Treasurer: Claudia Ivey, CPA
Secretary: Susanne Smith, CLA

Staff

Grants Director: Mariana Benavides, CPA
Foundation Accountant: David J. Otero

THE HUNT FAMILY FOUNDATION

Letter from the President

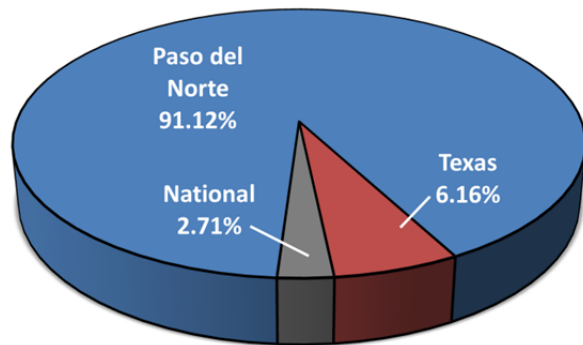
January 1, 2013

Since its inception in 1987, the Foundation has made grants and commitments of \$40,072,000 to 504 charitable organizations. This past year alone, \$3.9 million was distributed to 115 charitable organizations. The majority of distributions benefit the Paso del Norte region while the rest have a broader state or national focus. The Foundation continues to invest in community programs and infrastructure that target advancements in healthcare, access to education, proliferation of the arts, preservation of local heritage, improvements in quality of life, and regional economic development.

To promote program sustainability, and encourage additional community contributions, the Foundation awards multi-year commitments to organizations

with a widespread and prolonged impact. Since 2004, the Foundation has made commitments to various organizations totaling \$33,251,909 (see page 11). In 2013, the Foundation awarded 16 new multi-year commitments totaling \$1,265,000 (see page 10). All of which target the Paso del Norte region.

2013 Distributions by Region



| Commitment Activity in 2013 | Amount |
|--|---------------------|
| Total Outstanding Commitments at 12/31/2012 | \$22,520,769 |
| New Commitments Granted in 2013 | 1,265,000 |
| Commitment Payments in 2013 | (3,410,779) |
| Total Outstanding Commitments at 12/31/2013 | \$20,374,990 |

The Foundation has budgeted \$4.6 million in distributions for the year 2014. We are pleased to provide financial support to charitable causes in our community and region. The Hunt family is proud to be a part of El Paso, as we have been for over four generations. A major portion of our giving will continue to be here, and it is our privilege to help.

Respectfully,

Joshua W. Hunt, President
Hunt Family Foundation

THE HUNT FAMILY FOUNDATION

Financial Statements

Statement of Revenue and Expenses and Changes in Net Assets Years Ended December 31, 2013 and 2012

REVENUES

| | <u>2013</u> | <u>2012</u> |
|-------------------------|-------------------|---------------------|
| Donor Contributions | \$ 610,634 | \$ 3,898,983 |
| Interest, other credits | 4,989 | 4,714 |
| Total Revenue | \$ <u>615,623</u> | \$ <u>3,903,697</u> |

EXPENSES

| | | |
|--------------------------------------|---------------------|---------------------|
| Distributions | \$ 3,927,760 | \$ 2,991,916 |
| Professional Fees | 44,218 | 39,300 |
| Other Expenses | 2,918 | 1,500 |
| Total Expenses | \$ <u>3,974,896</u> | \$ <u>3,032,716</u> |
| Change in Net Assets | \$ (3,359,273) | \$ 870,981 |
| Net Assets, beginning of year | <u>4,467,400</u> | <u>3,596,419</u> |
| Net Assets, end of year | <u>\$ 1,108,127</u> | <u>\$ 4,467,400</u> |

See accompanying notes to financial statements.

THE HUNT FAMILY FOUNDATION

Financial Statements

Balance Sheets

At December 31, 2013 and 2012

ASSETS

| | <u>2013</u> | <u>2012</u> |
|---------------------------|---------------------|---------------------|
| Cash and cash equivalents | \$ 1,108,127 | \$ 4,467,400 |
| Total Assets | \$ 1,108,127 | \$ 4,467,400 |

LIABILITIES

| | | |
|--------------------------|-----------------|-----------------|
| Accounts Payable | \$ 5,500 | \$ 7,567 |
| Total Liabilities | \$ 5,500 | \$ 7,567 |

| | | |
|---|----------------------------|----------------------------|
| NET ASSETS | \$ 1,102,627 | \$ 4,459,833 |
| Total Liabilities and Net Assets | \$ <u>1,108,127</u> | \$ <u>4,467,400</u> |

See accompanying notes to financial statements.

THE HUNT FAMILY FOUNDATION

Financial Statements

Cash Flow Statement December 31, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|--------------------------------------|-----------------------|-----------------------|
| INFLOWS: | | |
| Donor contributions | \$ 610,634 | \$ 3,898,983 |
| Interest earned | 4,989 | 4,714 |
| Total Inflows | <u>\$ 615,623</u> | <u>\$ 3,903,697</u> |
| OUTFLOWS: | | |
| Distributions | \$ (3,927,760) | \$ (2,991,916) |
| Professional fees | (44,218) | (39,300) |
| Other expenses | (2,918) | (1,500) |
| Total Outflows | <u>\$ (3,974,896)</u> | <u>\$ (3,032,716)</u> |
| Net Increase/Decrease in Cash | \$ (3,359,273) | \$ 870,981 |
| Beginning Cash Balance | 4,467,400 | 3,596,419 |
| Ending Cash Balance | <u>\$ 1,108,127</u> | <u>\$ 4,467,400</u> |

See accompanying notes to financial statements.

THE HUNT FAMILY FOUNDATION

Notes to Financial Statements

Note 1 – Organization and Activities

The Hunt Family Foundation (the “Foundation”) is a private foundation that supports charitable organizations and projects primarily in areas of healthcare, education, the arts, local heritage, quality-of-life initiatives and regional economic development in the Paso del Norte region. The Foundation is exempt from Federal income taxes under the Internal Revenue Code section 501(c)(3) and is classified as a private foundation under Section 509(a).

The Foundation is organized as a Texas non-profit corporation, and operates from the Hunt corporate office in El Paso, Texas. Established by Woody L. and Gayle G. Hunt, the Foundation is under the leadership of Woody Hunt as chairman, and Joshua Hunt as President.

Note 2 – Summary of Significant Accounting Policies

Basis of Financial Presentation. The accompanying financial statements have been prepared on the cash basis of accounting.

Cash and Cash Equivalents. Cash and cash equivalents include cash, money market funds, and short-term investments with original maturities to the Foundation of three months or less at the date of acquisition. The Foundation does not require that excess cash be collateralized by securities.

Note 3 – Donor Contributions

The Foundation is funded exclusively by individual donations from Woody and Gayle Hunt. The Foundation does not solicit outside funding or grants.

Note 4 – Interest

The Foundation maintains all cash and securities in a non-retirement investment account with Merrill Lynch. The portfolio as of December 31, 2013 consisted entirely of cash. Cash is held in an interest-accruing preferred deposit account.

THE HUNT FAMILY FOUNDATION

Notes to Financial Statements

Note 5 – Distributions

The Foundation issues scheduled multi-year distributions, referred to as “Commitments,” and annual one-time distributions, referred to as “Regular Grants.” Total distributions for the periods ending December 31, 2013 and 2012 were:

| | <u>2013</u> | <u>2012</u> |
|---------------------|---------------------|---------------------|
| Commitments | \$ 3,410,779 | \$ 2,700,945 |
| Regular Grants | 516,981 | 290,971 |
| Total Distributions | <u>\$ 3,927,760</u> | <u>\$ 2,991,916</u> |

Outstanding commitments totaled \$20,374,990 at December 31, 2013. This amount will be paid according to the following schedule:

| <u>Year</u> | <u>Committed Amounts</u> |
|-------------------------------|--------------------------|
| 2014 | \$ 4,138,031 |
| 2015 | 3,927,574 |
| 2016 | 3,974,118 |
| 2017 | 2,975,161 |
| 2018 | 1,650,106 |
| Thereafter | 3,710,000 |
| Total Outstanding Commitments | <u>\$ 20,374,990</u> |

Note 6 – Expenses

The Foundation’s operational expenses for the years ended December 31, 2013 and 2012 were:

| | <u>2013</u> | <u>2012</u> |
|-------------------------|------------------|------------------|
| Administrative Fees | \$ 40,943 | \$ 30,000 |
| Legal Fees | 3,293 | 8,450 |
| Accounting Fees | 900 | 850 |
| Total Professional Fees | <u>\$ 45,136</u> | <u>\$ 39,300</u> |
| Dues & Memberships | 2,000 | 1,500 |
| Total Expenses | <u>\$ 47,136</u> | <u>\$ 40,800</u> |

THE HUNT FAMILY FOUNDATION

Notes to Financial Statements

Note 7 – Federal Excise Taxes

The Foundation is subject to federal excise taxes imposed on private foundations at 2%, or at 1% if certain conditions are met. The excise tax is imposed on net investment income, as defined under federal law, which includes realized gains on the sale of investments, interest, and dividend income. The Foundation was subject to a 2% excise tax rate for the years ended December 31, 2013 and 2012. The current position of excise tax expense is \$100 and \$18 for the years ended December 31, 2013 and 2012, respectively. A tax credit was applied in 2012 reducing the overall tax expense. Excise tax expense is included in Administrative Fees.

Note 8 – Financial Statement Preparation

The Foundation's financial statements were prepared by the Foundation's accountant.

THE HUNT FAMILY FOUNDATION

New Commitments in 2013

| Charitable Organization/Commitment Purpose | Full Term Amount |
|--|------------------|
| Borderplex Bi-National Economic Alliance Foundation <i>Supports the organization's efforts to promote economic development in El Paso and the surrounding areas</i> | \$ 250,000 |
| El Paso Border Youth Athletic Association <i>Contribution to support the construction of the Ball-field Complex</i> | 250,000 |
| St. Mark's School <i>Contribution used for a new school building and associated facilities in El Paso</i> | 250,000 |
| Foundation for the Diocese of El Paso <i>Provides current-year scholarships to disadvantaged students that attend private Catholic schools in El Paso, TX</i> | 125,000 |
| New Mexico State University Foundation <i>Doña Ana Community College Scholarship Program to benefit students from Doña Ana County</i> | 100,000 |
| Texas Tribune, Inc. <i>Establishment and operation of an El Paso bureau to cover Texas' border region</i> | 95,000 |
| Reynolds Home Shelter for Homeless Women and Children <i>Contribution used for capital improvements to the facility and grounds</i> | 50,000 |
| Be The Change, Inc. <i>Supports the Opportunity Index Campaign in El Paso, TX</i> | 30,000 |
| Candlelighters of the El Paso Area <i>Supports the Camp Courageous Program which provides children with cancer a normal camping experience with same-age children who are experiencing similar struggles</i> | 20,000 |
| El Paso Bridges Academy <i>Provides tuition assistance to children with individual learning levels</i> | 20,000 |
| Southern New Mexico Science, Engineering, Mathematics, and Aerospace Academy <i>Supports the science, technology, engineering, and math (STEM) Stars Program</i> | 20,000 |
| Children's Grief Center of El Paso <i>Supports the organization's regular programming</i> | 15,000 |
| El Paso Public Television Foundation <i>Supports the Blast Beyond television program which provides educational programming to young children</i> | 15,000 |
| National Outdoor Leadership School <i>Supports Campaign NOLS: Endowing Our Core Values</i> | 10,000 |
| New Mexico State University Foundation <i>Supports the New Mexico Pre-Freshman Engineering Program</i> | 10,000 |
| Assistance League of El Paso <i>Supports the Operation School Bell Program which provides 200 children with a week's supply of clothes, hygiene items, and school supplies</i> | 5,000 |
| Total | \$ 1,265,000 |

THE HUNT FAMILY FOUNDATION

Total Commitments Made from January 1, 2004 to December 31, 2013

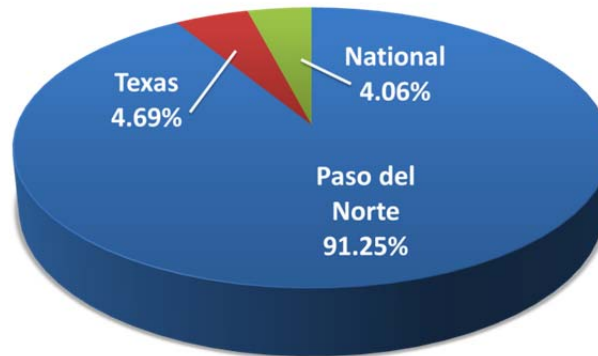
| Year in which Commitments were made | Number of Commitments made | Full Term Commitment Amounts |
|---|----------------------------------|------------------------------------|
| 2004 | 5 | \$ 220,000 |
| 2005 | 6 | 1,796,726 |
| 2006 | 4 | 280,000 |
| 2007 | 8 | 1,590,000 |
| 2008 | 9 | 531,399 |
| 2009 | 13 | 4,560,045 |
| 2010 | 23 | 18,307,529 |
| 2011 | 14 | 2,718,210 |
| 2012 | 19 | 1,983,000 |
| 2013 | 16 | 1,265,000 |
| Total | 117 | \$ 33,251,909 |

THE HUNT FAMILY FOUNDATION

Total Distributions Since 1987

| Region | 1987-2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Total |
|------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Paso del Norte | \$ 2,963,878 | \$ 468,975 | \$ 566,532 | \$ 689,899 | \$ 837,474 | \$ 1,178,888 | \$ 1,992,543 | \$ 1,133,454 | \$ 1,834,764 | \$ 2,728,666 | \$ 3,579,160 | \$ 17,974,233 |
| Texas | 122,351 | 6,500 | 5,750 | 28,250 | 32,500 | 14,500 | 38,500 | 99,000 | 130,040 | 203,500 | 242,000 | 922,891 |
| National | 230,180 | 20,500 | 29,250 | 21,150 | 42,000 | 76,500 | 35,700 | 22,350 | 156,450 | 59,750 | 106,600 | 800,430 |
| Distributions by Year | \$ 3,316,409 | \$ 495,975 | \$ 601,532 | \$ 739,299 | \$ 911,974 | \$ 1,269,888 | \$ 2,066,743 | \$ 1,254,804 | \$ 2,121,254 | \$ 2,991,916 | \$ 3,927,760 | \$ 19,697,554 |

Percentages of Distributions by Region Since 1987



THE HUNT FAMILY FOUNDATION

Grant Application Information

Charitable giving by the Foundation is primarily directed toward the following program areas: healthcare, education, the arts, local heritage, quality-of-life initiatives and regional economic development. Grants are not awarded for religious purposes, political purposes, or to individuals. The primary geographic areas of interest are within the Paso Del Norte region. The Foundation will consider grant requests from locations outside of this region, if they ultimately impact the Paso Del Norte region, or the State of Texas.

Information required in the Grant Application:

1. Brief description of the organization and brief history
2. List of Board and staff members
3. Amount needed and deadline for receipt of funds
4. Purpose of funds, goals, etc.
5. Project timeline
6. Current operating budget and proposed project budget
7. List of current and pending funding sources, including Board contributions
8. Letter of determination dated no more than five years as of the grant request date

Starting in 2014, Grant Applications must be submitted online. The link to the application is located at <http://www.huntfamilyfoundation.com/>. Applicants must be members of GuideStar since the Foundation utilizes this service for verification of all compliance documents. If an applicant is not a member of GuideStar, the grant application will likely be declined.

First-time applicants must submit the Grant Application by **April 15** of each year. The Foundation will make a decision by **September 15**. If approved, notification and funding will follow thereafter depending on the terms of the grant. Charitable organizations which have received grants from the Foundation within the prior two years of applying, may submit the Grant Application for consideration throughout the year.

Before an applicant is considered, proof is required that the applicant has a current exempt classification as described in section 501(c)(3) of the Internal Revenue Code (IRC), and that it is considered "not a private foundation" within the meaning of section 509(a) of the IRC.

All correspondence, questions, and/or inquiries should be directed to huntff@huntcompanies.com or sent to the address listed below:

Hunt Family Foundation
P.O. Box 12667
El Paso, TX 79913