



A CATALYST FOR COMMUNITY HEALTH

Phoenix, Arizona

FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

VITALYST HEALTH FOUNDATION
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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Vitalyst Health Foundation

We have audited the accompanying financial statements of Vitalyst Health Foundation (a nonprofit organization) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vitalyst Health Foundation as of June 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Net Asset Information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Henry + Home, LLP

Tempe, Arizona
September 24, 2019

VITALYST HEALTH FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,205,854	\$ 2,358,370
Certificate of deposit	102,975	102,036
Contract and other receivables	37,787	24,421
Prepaid expenses and other current assets	<u>20,568</u>	<u>31,354</u>
TOTAL CURRENT ASSETS	<u>3,367,184</u>	<u>2,516,181</u>
PROPERTY AND EQUIPMENT		
Furniture	264,422	277,244
Equipment	135,181	147,148
Leasehold improvements	<u>357,853</u>	<u>358,506</u>
	757,456	782,898
Accumulated depreciation	<u>(688,320)</u>	<u>(680,222)</u>
PROPERTY AND EQUIPMENT, net	<u>69,136</u>	<u>102,676</u>
OTHER ASSETS		
Investments	<u>122,699,791</u>	<u>123,090,277</u>
TOTAL OTHER ASSETS	<u>122,699,791</u>	<u>123,090,277</u>
TOTAL ASSETS	<u>\$ 126,136,111</u>	<u>\$ 125,709,134</u>

See accompanying notes.

VITALYST HEALTH FOUNDATION
STATEMENTS OF FINANCIAL POSITION (Continued)
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 221,079	\$ 196,686
Deferred rent, current portion	42,058	35,497
Grants payable	<u>515,743</u>	<u>684,307</u>
TOTAL CURRENT LIABILITIES	<u>778,880</u>	<u>916,490</u>
LONG-TERM LIABILITIES		
Deferred rent, net of current portion	147,141	189,200
Note payable	<u>51,488</u>	<u>51,018</u>
TOTAL LONG-TERM LIABILITIES	<u>198,629</u>	<u>240,218</u>
TOTAL LIABILITIES	<u>977,509</u>	<u>1,156,708</u>
NET ASSETS		
Without donor restrictions	105,771,891	105,380,918
With donor restrictions	<u>19,386,711</u>	<u>19,171,508</u>
TOTAL NET ASSETS	<u>125,158,602</u>	<u>124,552,426</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 126,136,111</u></u>	<u><u>\$ 125,709,134</u></u>

See accompanying notes.

VITALYST HEALTH FOUNDATION
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, LOSSES AND OTHER SUPPORT						
Investment return	\$ 4,414,595	\$ 780,012	\$ 5,194,607	\$ 9,069,310	\$ 1,531,603	\$ 10,600,913
Contributions	63,470	76,900	140,370	10,100	-	10,100
Contract and other income	159,913	-	159,913	104,351	-	104,351
Net assets released from donor restrictions:						
Health care services and programs of various institutions	127,735	(127,735)	-	179,188	(179,188)	-
Expenses of qualified hearing-related programs	302,180	(302,180)	-	318,400	(318,400)	-
Expenses of qualified vision-related programs	211,794	(211,794)	-	222,006	(222,006)	-
TOTAL REVENUE, LOSSES AND OTHER SUPPORT	5,279,687	215,203	5,494,890	9,903,355	812,009	10,715,364
GRANTS AND EXPENSES						
Contributions to health care related organizations	1,820,915	-	1,820,915	2,145,497	-	2,145,497
Program related expenses						
General program	1,373,767	-	1,373,767	1,406,575	-	1,406,575
Capacity building/civic participation	72,554	-	72,554	284,687	-	284,687
Community development	739,411	-	739,411	656,397	-	656,397
Health policy	295,026	-	295,026	354,781	-	354,781
Total program related expenses	4,301,673	-	4,301,673	4,847,937	-	4,847,937
Supporting services						
Administrative expenses	587,041	-	587,041	648,057	-	648,057
Total supporting services	587,041	-	587,041	648,057	-	648,057
TOTAL GRANTS AND EXPENSES	4,888,714	-	4,888,714	5,495,994	-	5,495,994
CHANGE IN NET ASSETS	390,973	215,203	606,176	4,407,361	812,009	5,219,370
NET ASSETS, BEGINNING OF YEAR	105,380,918	19,171,508	124,552,426	100,973,557	18,359,499	119,333,056
NET ASSETS, END OF YEAR	\$ 105,771,891	\$ 19,386,711	\$ 125,158,602	\$ 105,380,918	\$ 19,171,508	\$ 124,552,426

See accompanying notes.

VITALYST HEALTH FOUNDATION
 STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended June 30, 2018

	Program Services							Total
	Contributions to Health Care Related Organizations	General Program	Capacity Building/Civic Participation	Community Development	Health Policy	Total Program Services	Management and General	
Grants	\$ 1,820,915	\$ -	\$ -	\$ -	\$ -	\$ 1,820,915	\$ -	\$ 1,820,915
Salaries and wages	-	756,486	-	120,135	43,023	919,644	287,465	1,207,109
Payroll taxes and benefits	-	198,016	-	33,786	3,851	235,653	83,302	318,955
Professional fees	-	22,531	-	7,564	-	30,095	46,476	76,571
Advertising	-	6,467	546	15,107	6,997	29,117	2,488	31,605
Office expenses	-	21,925	3,472	9,884	2,318	37,599	8,488	46,087
Information technology	-	55,939	724	843	798	58,304	24,217	82,521
Occupancy	-	167,528	-	-	-	167,528	64,440	231,968
Travel	-	23,194	3,038	11,210	4,099	41,541	8,922	50,463
Conferences and meetings	-	43,148	13,125	46,339	10,976	113,588	11,789	125,377
Depreciation	-	-	-	-	-	-	17,795	17,795
Insurance	-	16,183	-	-	-	16,183	6,225	22,408
Equipment rental and maintenance	-	6,997	250	-	-	7,247	2,691	9,938
Dues and subscriptions	-	27,233	-	30,403	-	57,636	10,475	68,111
Employee training and retention	-	11,931	241	2,490	6,667	21,329	5,056	26,385
Contracts	-	12,423	51,158	460,897	216,297	740,775	4,779	745,554
Miscellaneous	-	3,766	-	753	-	4,519	2,433	6,952
TOTAL EXPENSES	\$ 1,820,915	\$ 1,373,767	\$ 72,554	\$ 739,411	\$ 295,026	\$ 4,301,673	\$ 587,041	\$ 4,888,714

See accompanying notes.

VITALYST HEALTH FOUNDATION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 606,176	\$ 5,219,370
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	33,540	39,274
Deferred rent expense	(35,498)	(35,497)
Interest accrued on note payable	470	229
Interest earned on certificate of deposit	(939)	(458)
Net realized and unrealized (gains) losses on investments	(3,381,341)	(9,382,687)
(Increase) decrease in:		
Contract and other receivables	(13,366)	5,579
Prepaid expenses and other current assets	10,786	(11,629)
Increase (decrease) in:		
Accounts payable and accrued liabilities	24,393	(201,070)
Grants payable	(168,564)	100,014
	<u>(2,924,343)</u>	<u>(4,266,875)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(11,701)
Purchase of investments	(34,701,806)	(32,193,881)
Proceeds from sale of investments	<u>38,473,633</u>	<u>37,382,163</u>
	<u>3,771,827</u>	<u>5,176,581</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	847,484	909,706
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,358,370</u>	<u>1,448,664</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,205,854</u>	<u>\$ 2,358,370</u>

See accompanying notes.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES

Nature of Activities

Vitalyst Health Foundation's history began in 1908 with the establishment of the St. Luke's Home, a tuberculosis sanitarium for Arizona residents. The St. Luke's Home evolved over the century to become St. Luke's Health System (the "System"). St. Luke's Charitable Health Trust (later changed to St. Luke's Health Initiatives) was formed as a result of the sale of the System to a for-profit corporation and continued to use its resources in support of the health care field in the community. In 2000, St. Luke's Foundation, an Arizona not-for-profit corporation, merged into St. Luke's Health Initiatives ("SLHI"), an Arizona not-for-profit corporation. SLHI was the surviving corporation. All assets of St. Luke's Foundation subject to all liabilities and obligations were transferred to SLHI. In recognition of the Organization's expanded work, SLHI changed its name to Vitalyst Health Foundation ("Vitalyst") in March 2016. Vitalyst's continuing mission is to connect, support and inform efforts to improve the health of individuals and communities in Arizona.

Programs:

Contributions to Health Care Related Organizations

Vitalyst has always provided grants to community organizations, but in 2013, it embarked on a new program to invest in ideas that could be transformational. The Innovation Grants grant process is designed to identify opportunities and award monies for unique services and systemic policy change. The amounts granted range from \$75,000 to \$125,000 and may extend up to two years. The primary goal of the process is to address the conditions/determinants that enable Arizonans to be healthy and resilient. Vitalyst also makes targeted investments to advance its current initiatives in areas such as expansion of quality data to inform local and statewide policy decisions, support of outreach and enrollment efforts into the Health Insurance Marketplace, AHCCCS (Arizona's Medicaid program) and CHIP (the Children's Health Insurance Program), and growth in work around healthy community development.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

Programs: (Continued)

Capacity Building/Civic Participation

Improving the effectiveness of community-based leadership through capacity building is approached through the technical assistance program that helps small to mid-size nonprofit organizations and coalitions develop the tools and resources they need to resolve critical organizational issues. Capacity building is also fostered through coalition building where people and organizations have the opportunity to gather, develop relationships, and share ideas, resources, contacts and knowledge. Vitalyst is pursuing strategies to develop and grow the influence of those with lived-experience through increased civic participation. Community leadership development and nurturing community coalitions are strategies aimed at bringing authentic representation from the community to participate in the processes affecting their community's well-being and health. Educating institutions on how to effectively engage residents in these issue areas is another strategy.

Community Development

Vitalyst supports collaborations among community organizations to achieve improved healthcare and/or understanding of health in the state. This work takes many forms, from engaging community health workers to working with Fire Districts in developing Mobile Integrated Health strategies such as Community Paramedicine. Work also is underway to enhance access to a sustainable distribution of healthy food in low-income communities and healthy design statewide.

Health Policy

Vitalyst's health policy program's purpose is to conduct relevant and timely policy research, to provide balanced, non-partisan information on health issues in Arizona, and to serve as a convener to discuss those issues and translate ideas into action. This has manifested itself most clearly in support for the Cover AZ Coalition, a group of more than 600 members that are helping to enroll people in the Children's Health Insurance Program, Medicaid and the Federal Insurance Marketplace. Vitalyst supports enrollment assistance, public awareness and community outreach for this statewide effort. It is also engaged in statewide analyses of the healthcare workforce to determine current levels and projected demand.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

Basis of Presentation

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

Cash and Cash Equivalents

For the purpose of the statements of cash flows, Vitalyst considers all highly liquid debt instruments purchased with a remaining maturity of three months or less at date of acquisition to be cash equivalents.

Contract Receivable

Contract receivable includes program service fees and is carried at the outstanding balance less an allowance for doubtful accounts, if applicable. Vitalyst evaluates the collectability of its contract receivable based on a combination of factors. In circumstances where it is aware of a specific amount where there may be an inability to meet the financial obligation, it records a specific reserve to reduce the amounts recorded to what it believes will be collected. Accounts are charged off against the allowance when they are deemed to be uncollectible. Accounts are past due when not paid within 30 days of invoicing.

Property and Equipment

Acquisitions of property and equipment in excess of \$2,000 are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the property and equipment. Depreciation expense, net of the amortization of deferred rent, amounted to \$17,795 and \$23,529 for the years ended June 30, 2019 and 2018, respectively.

Landlord-paid tenant improvements are recorded as building improvements and are included in property and equipment and the deferred rent liability. The asset is amortized over the shorter of the life of the building improvements or the life of the lease and recorded as part of rent expense. The liability is amortized over the life of the lease as a reduction of occupancy expense.

Major additions and improvements are capitalized. Maintenance and repairs, which do not extend the useful lives, are charged to expense as incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and related gains and losses are included in operations.

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

Fair Value Measurements

A framework for measuring fair value has been established by the Accounting Standards Codification and 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 are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Vitalyst has the ability to access.

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.

If the asset or liability has a specified term (contractual term), the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement, and usually reflect Vitalyst's own assumptions about the assumptions that market participants would use in pricing the assets (i.e. real estate valuations, broker quotes).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. Vitalyst recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

Investments

Investments are recorded at fair value as determined by quoted market prices in active markets or by net asset value as determined by third parties. Investment return or loss is included in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Vitalyst invests all of the endowments in an investment pool which is managed by an investment advisor. Investment return and investment fees within the investment pool are allocated monthly to the individual funds based on the relationship of the market value of each fund to the total market value of the pool as adjusted for additions to or distributions from those funds.

Risks and Uncertainty

Vitalyst invests in various types of investment securities, including alternative investments. 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 amount reported in the statements of financial position.

Endowment Funds

Vitalyst's endowment funds consists of 10 individual funds established for a variety of purposes. Vitalyst's endowment funds include donor-restricted funds that function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Vitalyst follows Arizona's Management of Charitable Funds Act (MCFA) and its own governing documents. MCFA requires the preservation of endowment funds. When a donor's intent is not expressed, MCFA directs the organization to spend an amount that is prudent, consistent with the purposes of the fund, relevant economic factors and the donor's intent that the fund continue in perpetuity.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

Endowment Funds (Continued)

Vitalyst classifies as net assets with donor restrictions (a) the original value of 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 donor-restricted endowment fund also includes accumulated earnings in the fund that are also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Vitalyst in a manner consistent with the standard of prudence prescribed by MCFA.

In accordance with MCFA, Vitalyst considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) Vitalyst's other resources, and (7) Vitalyst's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. Vitalyst has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of up to 5%, while growing the funds if possible. Therefore, Vitalyst expects its endowment assets, over time, to produce an average rate of return of approximately 7% to 9% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. Vitalyst has a policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value of the prior 36 months through the first calendar quarter of the preceding fiscal year in which the distribution is planned. In establishing this policy, Vitalyst considered the long-term expected return on its investment assets and the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions and the possible effects of inflation. Vitalyst expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 2% to 4% annually, which is consistent with Vitalyst's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

Contributions

Contributions, grants and bequests received are recorded as either support with donor restrictions or as support without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Grant Expense

Contributions to health care related organizations (grants) are distributed to support various public health initiatives in accordance with the mission of Vitalyst. Except for conditional grants, all obligated grant distributions are expensed for financial statement purposes when approved by the Board of Trustees. Conditional grants are expensed and paid when certain conditions attached to the grant are met by the grantee. Occasionally, a particular grant may be approved for distribution over a period of up to several years. Consequently, grant expense for a particular period may not reflect the actual amount distributed during the period. Conditional promises to give was approximately \$512,000 as of June 30, 2019.

Net Assets

Vitalyst reports information regarding its financial position and activities according to two classes of net assets as follows:

- Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.
- Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Gifts of long-lived assets and gifts of cash restricted for acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

Functional Expenses

The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program services and supporting services. Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. 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 Vitalyst.

Income Taxes

Vitalyst qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, Vitalyst has been classified as an organization that is not a private foundation under Section 509(a)(3). However, pass-through unrelated business income from certain investment partnerships is considered taxable income and subject to excise taxes. Vitalyst has accumulated net operating losses related to this income to carry forward to apply to future taxable income. A deferred tax asset has not been recorded because it is expected never to be used as the investment partnerships produce a loss or minimal income each year.

Vitalyst recognizes uncertain tax positions in the financial statements when it is more-likely-than-not the positions will not be sustained upon examination by the tax authorities. At June 30, 2019 and 2018, Vitalyst had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Vitalyst recognizes interest and penalties associated with income taxes in operating expenses. During the years ended June 30, 2019 and 2018, Vitalyst did not have any income tax related interest and penalty expense.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from these estimates. Significant estimates have been made by management in determining the fair value of investments. Due to uncertainties in estimating these values, it is possible that the estimates could change in the near term.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

Date of Management's Review

In preparing these financial statements, Vitalyst has evaluated events and transactions for potential recognition or disclosure through September 24, 2019, the date the financial statements were available to be issued.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Vitalyst has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented and resulted in the temporarily and permanently restricted net asset balances (\$19,171,508) and unrestricted net asset balance (\$105,380,918) at June 30, 2018 being renamed net assets with donor restrictions and net assets without donor restrictions, respectively. Also, a new disclosure about liquidity and availability has been added and investment expenses were netted against investment return on the statements of activities.

NOTE 2 LIQUIDITY AND AVAILABILITY

Vitalyst monitors liquidity required to meet its operating needs and contractual commitments. Financial assets in excess of operating needs are invested in a diversified investment portfolio that may include certificates of deposits, money market funds, U.S. and international debt and equity securities, futures contracts, hedge funds, and private equity funds. Based on detailed asset allocation work, Vitalyst targets 16% of its investment portfolio to investments with lock-up periods exceeding one year.

As of June 30, 2019, financial assets that could readily be made available to meet general expenditures within the next year is calculated as follows:

Total current assets	\$ 3,367,184
Plus: investments in liquid securities	85,283,539
Less: donor restricted funds	<u>(19,386,711)</u>
Available for financial obligations	<u>\$ 69,264,012</u>

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 2 LIQUIDITY AND AVAILABILITY (Continued)

Liquid investments total \$37,416,252 at June 30, 2019. For purposes of calculating the financial assets available for financial obligations above, all net assets with donor restrictions have been subtracted from the liquid investment balances.

NOTE 3 CONCENTRATIONS OF CREDIT RISK

Vitalyst maintains its cash in bank accounts, which at times, may exceed federally insured limits. Vitalyst has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances. Vitalyst also maintains investment accounts with a stock brokerage firm. The accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation (SIPC). Alternative investments are not covered by SIPC nor insured by the brokerage firms.

NOTE 4 CERTIFICATE OF DEPOSIT AND NOTE PAYABLE

In March 2015, Vitalyst partnered with another organization on an initiative to assist organizations in purchasing vision screening equipment by collateralizing loans made to these organizations by a financial institution. In order to do this, the two organizations have created a loan pool at the financial institution. This pool may be funded up to \$400,000 in increments of \$100,000, with each organization contributing 50%. Initial funding of \$50,000 from Vitalyst and \$50,000 from the partnering organization was used to purchase a certificate of deposit at the financial institution, bearing an interest rate of .45% which matured in March 2019. This certificate of deposit was renewed for thirteen months with a maturity date of April 2020, bearing an interest rate of 2.3%.

Because the funds were placed into an account under Vitalyst's name, a note payable to the partnering organization has been recorded, consisting of the funding contributed from the partnering organization as well as 50% of the interest earned by the certificate of deposit. The note payable will mature in March 2020 when this agreement terminates, at which time Vitalyst will make a payment to the partnering organization consisting of the amounts contributed by the partnering organization, as well as any interest earned on those amounts.

VITALYST HEALTH FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019 and 2018

NOTE 5 INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of cash and cash equivalents, receivables, grants and accounts payable and accrued expenses approximates their respective fair values because of the short maturity of these instruments.

Investments with readily determinable fair values are measured at fair value in the statements of financial position as determined by quoted market prices in active markets (Level 1). Alternative investments include investments in hedge funds, futures funds, real estate funds, distressed debt funds and private equity funds, which are valued at net asset value based on information provided by the investment fund manager.

The following is a summary of investments measured at fair value and net asset value on a recurring basis at June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 66,953,558	\$ -	\$ -	\$ 66,953,558
U.S. treasury securities	5,215,904	-	-	5,215,904
Mutual funds	<u>13,114,077</u>	<u>-</u>	<u>-</u>	<u>13,114,077</u>
Total investments measured at fair value	<u>\$ 85,283,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>85,283,539</u>
Private equity funds				8,526,511
Real estate funds				4,448,390
Distressed debt fund				3,135,013
Futures funds				4,524,207
Hedge funds				<u>16,782,131</u>
Total investments measured at net asset value				<u>37,416,252</u>
Total investments				<u>\$ 122,699,791</u>

VITALYST HEALTH FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019 and 2018

NOTE 5 INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following is a summary of investments measured at fair value and net asset value on a recurring basis at June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 76,431,046	\$ -	\$ -	\$ 76,431,046
U.S. treasury securities	178,732	-	-	178,732
Mutual funds	<u>13,170,924</u>	<u>-</u>	<u>-</u>	<u>13,170,924</u>
 Total investments measured at fair value	 <u>\$ 89,780,702</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>89,780,702</u>
 Private equity funds				7,485,369
Real estate funds				4,039,208
Distressed debt fund				2,951,969
Futures funds				4,439,751
Hedge funds				<u>14,393,278</u>
 Total investments measured at net asset value				 <u>33,309,575</u>
 Total investments				 <u>\$ 123,090,277</u>

In accordance with Accounting Standards, certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The net asset value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 5 INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following is a summary of unfunded commitments and redemption information for alternative investments measured at net asset value per share at June 30, 2019:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity funds	\$ 8,526,511	\$ 6,808,872	Ineligible	-
Real estate funds	4,448,390	3,469,650	Ineligible	-
Distressed debt fund	3,135,013	1,247,497	Ineligible	-
Futures fund	2,137,843	-	Monthly	3 days
Futures fund	2,386,364	-	Daily	-
Hedge fund	10,766,619	-	Monthly	65 - 90 days
Hedge fund	6,015,512	-	Quarterly	45 - 65 days
Total	<u>\$ 37,416,252</u>	<u>\$ 11,526,019</u>		

The following is a summary of unfunded commitments and redemption information for alternative investments measured at net asset value per share at June 30, 2018:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity funds	\$ 7,485,369	\$ 5,394,774	Ineligible	-
Real estate funds	4,039,208	4,785,515	Ineligible	-
Distressed debt fund	2,951,969	2,187,500	Ineligible	-
Futures fund	2,194,754	-	Monthly	3 days
Futures fund	2,244,997	-	Daily	-
Hedge fund	8,369,218	-	Monthly	90 days
Hedge fund	6,024,060	-	Quarterly	45 - 95 days
Total	<u>\$ 33,309,575</u>	<u>\$ 12,367,789</u>		

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 5 INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Private Equity Funds

Vitalyst invests in private equity funds with a diversified portfolio across industries, geography, vintage year and investment types, including leveraged buyouts, growth capital, venture capital, distressed securities, credit, natural resources, real estate and infrastructure. Redemptions are not permitted during the life of the fund. When the assets are sold, the proceeds, less any incentives due to the fund sponsor, will be distributed to the investors. The sale of the assets is subject to the approval of the fund's manager. The fair value of these investments has been estimated using the net asset value per share of the investments as provided by the fund manager.

Real Estate Funds

Vitalyst invests in real estate funds focusing on “non-core” real estate investments, which present higher risk and typically have one of the following characteristics: greater leasing risk; highly leveraged; purchased from distressed sellers; or, functionally or economically obsolete. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the fund managers.

Distressed Debt Fund

Vitalyst invests in certain special situation debt and distressed debt. Redemptions are not permitted during the life of the fund. When the assets are sold, the proceeds, less any incentives due to the fund sponsor, will be distributed to the investors. The sale of the assets is subject to the approval of the fund's manager. The fair value of this investment has been estimated using the net asset value per share of the investment as provided by the fund manager.

Futures Funds

Vitalyst invests in two futures funds which invest in a wide range of global financial and commodity markets operating over multiple time frames. Investments include currencies, energy, grains, metals, stock indices, interest rates and bonds. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the fund managers.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 5 INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Hedge Funds

Vitalyst invests in hedge funds that pursue multiple strategies to diversify risk and reduce volatility. These funds hold investments in both US and foreign stock. Hedge fund of funds investments include 25 to 35 underlying managers in each of four funds, covering a wide range of strategies such as relative value, arbitrage, global macro and directional. Vitalyst also invests in two single manager hedge funds which invest in event driven trading strategies, global natural resource securities and commodities, long and short equity investments in emerging markets countries, long and short positions in equity securities of publicly traded companies, convertible arbitrage, statistical arbitrage, Asian equities and convertible strategies. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the hedge fund managers.

Investment return is summarized as follows for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Interest, dividends and other investment income	\$ 2,403,275	\$ 1,881,689
Net realized gains	7,136,874	11,207,048
Net unrealized (losses)	(3,755,533)	(1,824,361)
Investment fees	<u>(590,009)</u>	<u>(663,463)</u>
Total investment return	<u>\$ 5,194,607</u>	<u>\$ 10,600,913</u>

Investment advisory fees for alternative investments of an estimated \$304,000 and \$340,000 for the years ended June 30, 2019 and 2018, respectively, were incurred and netted against investment revenues in the amounts above.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 6 DEFERRED RENT EXPENSE

Deferred rent expense includes an amount deferred for a rent holiday received at the beginning of the lease term, graduated rent payments through the lease term (see Note 11), and also credits received from the landlord for leasehold improvements as follows:

	<u>2019</u>	<u>2018</u>
Rent holiday and graduated rent payments	\$ 131,469	\$ 151,222
Other lease incentives	22,764	28,973
Leasehold improvements credits	<u>34,966</u>	<u>44,502</u>
	189,199	224,697
Current portion	<u>(42,058)</u>	<u>(35,497)</u>
	<u>\$ 147,141</u>	<u>\$ 189,200</u>

NOTE 7 ENDOWMENT FUNDS

All endowment funds are donor-restricted. Changes in endowment funds are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2017	\$ -	\$ 16,271,082	\$ 16,271,082
Interest and dividends	-	224,411	224,411
Net realized gains	-	1,310,782	1,310,782
Net unrealized loss	-	(202,751)	(202,751)
Amounts appropriated for expenditure	<u>-</u>	<u>(588,946)</u>	<u>(588,946)</u>
Balance, June 30, 2018	-	17,014,578	17,014,578
Interest and dividends	-	286,942	286,942
Net realized gains	-	837,490	837,490
Net unrealized loss	-	(445,234)	(445,234)
Amounts appropriated for expenditure	<u>-</u>	<u>(558,780)</u>	<u>(558,780)</u>
Balance, June 30, 2019	<u>\$ -</u>	<u>\$ 17,134,996</u>	<u>\$ 17,134,996</u>

VITALYST HEALTH FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019 and 2018

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows as of June 30:

	<u>2019</u>	<u>2018</u>
Donor restricted endowment funds		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by MCFA	\$ 9,294,935	\$ 9,294,935
The portion of perpetual endowment funds subject to restriction under MCFA	<u>7,840,061</u>	<u>7,719,643</u>
	17,134,996	17,014,578
Other net assets purpose restricted		
Cardiopulmonary medical institutions or programs	2,193,292	2,156,930
Culture of health leadership program	46,003	-
Diabetes prevention program	<u>12,420</u>	<u>-</u>
	<u>2,251,715</u>	<u>2,156,930</u>
	<u>\$ 19,386,711</u>	<u>\$ 19,171,508</u>

NOTE 9 CONTRIBUTIONS TO HEALTH CARE RELATED ORGANIZATIONS

Contributions to health care related organizations are summarized as follows for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Program specific grants and sponsorships	\$ 724,353	\$ 700,848
Community grants	586,085	785,880
Medical assistance grants	457,621	552,519
Affiliates/trustee/employee match	<u>52,856</u>	<u>106,250</u>
	<u>\$ 1,820,915</u>	<u>\$ 2,145,497</u>

As of June 30, 2019 and 2018, \$515,743 and \$684,307, respectively, of those contributions were included in grants payable. Medical assistance grants consist of contributions to various community partners as reimbursable expenses under the Medical Assistance Program. These grants are recorded as the expenditures occur.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 10 RELATED PARTY TRANSACTIONS

Included in grants payable at June 30, 2019 and 2018 is \$9,000 and \$8,025, respectively, due to Technical Assistance Partnership of Arizona (TAPAZ).

Vitalyst contracts with the spouse of a trustee to facilitate certain grant and capacity building forums. During the years ended June 30, 2019 and 2018, these expenses totaled approximately \$12,000 and \$34,000, respectively. This contractor is authorized as an approved vendor through a process that includes scoring by unrelated individuals working in the field.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Vitalyst leases office space and various equipment under operating leases, which expire through February 2023. Vitalyst's office lease includes provisions for escalating rent payments and rent concessions (See Note 6).

Approximate minimum future rentals on these leases are as follows:

<u>Year Ending June 30,</u>	
2020	\$ 239,000
2021	249,000
2022	245,000
2023	<u>163,000</u>
	<u>\$ 896,000</u>

Total operating lease expense for the years ended June 30, 2019 and 2018 was approximately \$235,000 and \$226,000, respectively.

NOTE 12 RETIREMENT PLAN

Vitalyst has a 401(k) plan which allows eligible employees to defer a portion of their compensation through either pre-tax 401(k) deferrals or Roth 401(k) deferrals. All full-time employees are eligible to participate in the plan upon hire and are eligible for an employer contribution upon completing one year of service. Vitalyst contributes ten percent of the employees' annual salaries and are 100% vested upon payment.

Retirement costs for the years ended June 30, 2019 and 2018 were \$111,312 and \$108,040, respectively.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 13 NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board has issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*. For nonpublic companies, this standard must be adopted for annual reporting periods beginning after December 15, 2018. The standard’s core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

The Financial Accounting Standards Board has issued Accounting Standards Update (“ASU”) No. 2018-08, *Not-For-Profit Entities-Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. For nonpublic companies, the standard must be adopted for annual reporting periods beginning after December 15, 2019. The standard’s core principle is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This ASU should assist entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

The Financial Accounting Standards Board has issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases*. For nonpublic companies, the standard must be adopted for annual reporting periods beginning after December 15, 2020. The standard’s core principle is the recognition of lease assets and lease liabilities by lessees for substantially all leases, including those currently classified as operating leases. Under the ASU, a lessee will be required to recognize assets and liabilities for operating and finance leases with terms of more than 12 months. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

SUPPLEMENTARY INFORMATION

VITALYST HEALTH FOUNDATION
SCHEDULE OF NET ASSETS INFORMATION
Year Ended June 30, 2019

	Balance June 30, 2018	Contributions	Investment Income	Other Income	Grants	Other Direct Expenses	Indirect Expenses	Support Expenses	Net Assets Released	Balance June 30, 2019
Without donor restrictions:										
Vitalyst General Funds	\$ 99,483,914	\$ 20,000	\$ 4,028,402	\$ 159,913	\$ (1,771,915)	\$ (1,063,521)	\$ (1,373,767)	\$ (505,374)	\$ 641,709	\$ 99,619,361
MAG	-	43,470	-	-	-	(43,470)	-	-	-	-
Barrow Endowment	3,494,525	-	231,777	-	-	-	-	(48,778)	-	3,677,524
Murphy	1,364,856	-	98,467	-	-	-	-	(20,723)	-	1,442,600
Board of Visitors	1,037,623	-	55,949	-	(49,000)	-	-	(12,166)	-	1,032,406
Total net assets without donor restrictions	105,380,918	63,470	4,414,595	159,913	(1,820,915)	(1,106,991)	(1,373,767)	(587,041)	641,709	105,771,891
With donor restrictions:										
Purpose restricted										
RWJF	-	55,000	-	-	-	-	-	-	(8,997)	46,003
BCBS	-	21,900	-	-	-	-	-	-	(9,480)	12,420
Barrow Heart/Lung	2,156,930	-	100,814	-	-	-	-	-	(64,452)	2,193,292
Endowment funds										
Theisen	482,276	-	22,204	-	-	-	-	-	(21,725)	482,755
Hon Kachina Council	129,849	-	6,149	-	-	-	-	-	(1,294)	134,704
Williams	684,212	-	32,399	-	-	-	-	-	(6,819)	709,792
Waddell	1,501,984	-	71,123	-	-	-	-	-	(14,968)	1,558,139
Felton Hearing	6,365,940	-	292,182	-	-	-	-	-	(302,180)	6,355,942
Felton Vision	5,531,600	-	255,141	-	-	-	-	-	(211,794)	5,574,947
Barrow Endowment	1,400,148	-	-	-	-	-	-	-	-	1,400,148
Murphy	714,569	-	-	-	-	-	-	-	-	714,569
Board of Visitors	204,000	-	-	-	-	-	-	-	-	204,000
Total net assets with donor restrictions	19,171,508	76,900	780,012	-	-	-	-	-	(641,709)	19,386,711
Grand totals	\$ 124,552,426	\$ 140,370	\$ 5,194,607	\$ 159,913	\$ (1,820,915)	\$ (1,106,991)	\$ (1,373,767)	\$ (587,041)	\$ -	\$ 125,158,602

VITALYST HEALTH FOUNDATION
SCHEDULE OF NET ASSETS INFORMATION
Year Ended June 30, 2018

	Balance June 30, 2017	Contributions	Investment Income	Other Income	Grants	Other Direct Expenses	Indirect Expenses	Support Expenses	Net Assets Released	Balance June 30, 2018
Without donor restrictions:										
Vitalyst General Funds	\$ 95,561,760	\$ 10,100	\$ 8,335,596	\$ 104,351	\$ (2,097,497)	\$ (1,295,865)	\$ (1,406,575)	\$ (567,878)	\$ 839,922	\$ 99,483,914
McClintock Trust	120,328	-	-	-	-	-	-	-	(120,328)	-
Barrow Endowment	3,108,213	-	433,926	-	-	-	-	(47,614)	-	3,494,525
Murphy	1,200,737	-	184,347	-	-	-	-	(20,228)	-	1,364,856
Board of Visitors	982,519	-	115,441	-	(48,000)	-	-	(12,337)	-	1,037,623
Total net assets without donor restrictions	100,973,557	10,100	9,069,310	104,351	(2,145,497)	(1,295,865)	(1,406,575)	(648,057)	719,594	105,380,918
With donor restrictions:										
Purpose restricted										
Barrow Heart/Lung	2,088,417	-	199,161	-	-	-	-	-	(130,648)	2,156,930
Endowment funds										
Theisen	464,526	-	43,760	-	-	-	-	-	(26,010)	482,276
Hon Kachina Council	119,601	-	11,511	-	-	-	-	-	(1,263)	129,849
Williams	630,211	-	60,657	-	-	-	-	-	(6,656)	684,212
Waddell	1,383,440	-	133,155	-	-	-	-	-	(14,611)	1,501,984
Felton Hearing	6,102,371	-	581,969	-	-	-	-	-	(318,400)	6,365,940
Felton Vision	5,252,216	-	501,390	-	-	-	-	-	(222,006)	5,531,600
Barrow Endowment	1,400,148	-	-	-	-	-	-	-	-	1,400,148
Murphy	714,569	-	-	-	-	-	-	-	-	714,569
Board of Visitors	204,000	-	-	-	-	-	-	-	-	204,000
Total net assets with donor restrictions	18,359,499	-	1,531,603	-	-	-	-	-	(719,594)	19,171,508
Grand totals	\$ 119,333,056	\$ 10,100	\$ 10,600,913	\$ 104,351	\$ (2,145,497)	\$ (1,295,865)	\$ (1,406,575)	\$ (648,057)	\$ -	\$ 124,552,426