

**York County Community Foundation and
Affiliates**

**Consolidated Financial Statements
and Supplementary Information**

December 31, 2016 and 2015



York County Community Foundation and Affiliates

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December 31, 2016 and 2015

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Independent Auditor's Report

To the Board of Directors
York County Community Foundation and Affiliates
York, Pennsylvania

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of York County Community Foundation and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of York County Community Foundation and Affiliates as of December 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

RKL LLP

May 8, 2017
York, Pennsylvania

York County Community Foundation and Affiliates

Consolidated Statement of Financial Position

	December 31,	
	2016	2015
Assets		
Assets		
Cash	\$ 234,653	\$ 225,706
Investments	130,358,288	123,262,892
Contributions receivable	105,153	121,507
Beneficial interests in trusts	3,113,754	3,331,771
Cash surrender value of life insurance	1,189,186	1,160,899
Leasehold improvements and equipment (less accumulated depreciation: \$614,111 in 2016 and \$602,978 in 2015)	5,510	16,643
Total Assets	\$ 135,006,544	\$ 128,119,418
Liabilities and Net Assets		
Liabilities		
Grants and fund distribution payables	\$ 150,562	\$ 95,425
Accounts payable and accrued liabilities	51,493	119,275
Liability to life income beneficiaries under split-interest agreements	3,536,529	2,943,179
Funds held as agency endowments	18,342,266	17,132,514
Total Liabilities	22,080,850	20,290,393
Net Assets		
Unrestricted	105,935,103	100,723,463
Temporarily restricted	3,936,804	4,047,042
Permanently restricted	3,053,787	3,058,520
Total Net Assets	112,925,694	107,829,025
Total Liabilities and Net Assets	\$ 135,006,544	\$ 128,119,418

York County Community Foundation and Affiliates

Consolidated Statement of Activities

	Year Ended December 31, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Support				
Total amounts raised	\$ 4,631,693	\$ 54,440	\$ -	\$ 4,686,133
Less amounts received as agency endowments	834,390	-	-	834,390
Contributions	3,797,303	54,440	-	3,851,743
Investment income	2,369,422	72	-	2,369,494
Less investment income for agency endowments	184,221	-	-	184,221
	2,185,201	72	-	2,185,273
Investment gains	5,532,200	-	-	5,532,200
Less investment gains for agency endowments	884,656	-	-	884,656
	4,647,544	-	-	4,647,544
Release of agency endowment liability	-	-	-	-
Change in value of split-interest agreements	(35,209)	140,733	-	105,524
Losses from beneficial interest in trusts	-	-	(4,733)	(4,733)
Other income	478,517	-	-	478,517
Net assets released from restrictions	305,483	(305,483)	-	-
	748,791	(164,750)	(4,733)	579,308
Total Revenues, Gains and Support	11,378,839	(110,238)	(4,733)	11,263,868
Expenses				
Program services				
Distributions from funds	5,259,664	-	-	5,259,664
Less distributions from agency endowments	693,515	-	-	693,515
Grant Distributions	4,566,149	-	-	4,566,149
Charitable programs	690,745	-	-	690,745
Total Program Services	5,256,894	-	-	5,256,894
Administrative	597,781	-	-	597,781
Development	312,524	-	-	312,524
Total Expenses	6,167,199	-	-	6,167,199
Change in Net Assets	5,211,640	(110,238)	(4,733)	5,096,669
Net Assets at Beginning of Year	100,723,463	4,047,042	3,058,520	107,829,025
Transfer of Net Assets from Memorial Health Fund	-	-	-	-
Net Assets at End of Year	\$ 105,935,103	\$ 3,936,804	\$ 3,053,787	\$ 112,925,694

See accompanying notes.

	Year Ended December 31, 2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, Gains and Support				
Total amounts raised	\$ 11,473,234	\$ 17,771	\$ -	\$ 11,491,005
Less amounts received as agency endowments	4,437,506	-	-	4,437,506
Contributions	7,035,728	17,771	-	7,053,499
Investment income	2,157,171	36	-	2,157,207
Less investment income for agency endowments	161,950	-	-	161,950
	1,995,221	36	-	1,995,257
Investment losses	(7,138,566)	-	-	(7,138,566)
Less investment losses for agency endowments	(876,237)	-	-	(876,237)
	(6,262,329)	-	-	(6,262,329)
Release of agency endowment liability	43,127	-	-	43,127
Change in value of split-interest agreements	(15,613)	(107,831)	-	(123,444)
Losses from beneficial interest in trusts	-	-	(248,533)	(248,533)
Other income	84,379	-	-	84,379
Net assets released from restrictions	271,113	(271,113)	-	-
	383,006	(378,944)	(248,533)	(244,471)
Total Revenues, Gains and Support	3,151,626	(361,137)	(248,533)	2,541,956
Expenses				
Program services				
Distributions from funds	4,438,835	-	-	4,438,835
Less distributions from agency endowments	685,361	-	-	685,361
Grant Distributions	3,753,474	-	-	3,753,474
Charitable programs	553,598	-	-	553,598
Total Program Services	4,307,072	-	-	4,307,072
Administrative	564,653	-	-	564,653
Development	322,792	-	-	322,792
Total Expenses	5,194,517	-	-	5,194,517
Change in Net Assets	(2,042,891)	(361,137)	(248,533)	(2,652,561)
Net Assets at Beginning of Year	86,259,923	4,278,352	960,635	91,498,910
Transfer of Net Assets from Memorial Health Fund	16,506,431	129,827	2,346,418	18,982,676
Net Assets at End of Year	\$ 100,723,463	\$ 4,047,042	\$ 3,058,520	\$ 107,829,025

York County Community Foundation and Affiliates

Consolidated Statement of Cash Flows

	Years Ended December 31,	
	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 5,096,669	\$ (2,652,561)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	11,133	11,270
Net unrealized and realized investment (gains) losses	(5,532,200)	7,138,566
Non-cash contributions	(251,239)	(4,197,477)
Increase in cash surrender value of life insurance	(28,287)	(68,487)
Changes in operating assets and liabilities		
Contributions receivable	16,354	23,465
Beneficial interests in trusts	218,017	239,396
Accounts payable and accrued liabilities	(67,782)	36,758
Grants payable	55,137	(78,290)
Liability to life income beneficiaries under split-interest agreements	593,350	(479,332)
Funds held as agency endowments	1,209,752	2,899,645
Net Cash Provided by Operating Activities	1,320,904	2,872,953
Cash Flows from Investing Activities		
Cash received from supporting organization	-	16,528,166
Purchase of investments	(68,351,476)	(40,106,121)
Proceeds from sale of investments	64,439,979	25,221,056
Net Cash Provided by (Used in) Investing Activities	(3,911,497)	1,643,101
Increase (Decrease) in Cash and Cash Equivalents	(2,590,593)	4,516,054
Cash and Cash Equivalents at Beginning of Year	10,360,831	5,844,777
Cash and Cash Equivalents at End of Year	\$ 7,770,238	\$ 10,360,831

York County Community Foundation and Affiliates

Consolidated Statement of Cash Flows (continued)

Supplementary Schedule of Noncash Investing and Financing Activities

In 2016

Non-cash contributions consist of investments of \$251,239.

In 2015

Non-cash contributions consist of investments of \$4,153,674 and contributions receivable of \$43,803.

The assets, liabilities, and net assets that were transferred to York County Community Foundation from Memorial Health Fund consisted of the following as of June 30, 2015:

Assets

Cash	\$	16,528,166
Beneficial interest in trusts		2,355,452
Investments		157,119
Contributions receivable		9,047

Total Assets	\$	19,049,784
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Liabilities and Net Assets

Accounts payable and accrued liabilities	\$	67,108
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Net Assets		18,982,676
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Total Liabilities and Net Assets	\$	19,049,784
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York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 1 - Nature of Operations

The York County Community Foundation (Foundation) is a community foundation. Under Internal Revenue Code Sections 501(c) (3), 170(b) (1) (A) (vi) and Section 509(a), it is a public support charitable organization, gifts to which are deductible for tax purposes.

Effective July 1, 2015, Memorial Health Fund (Memorial) (a Pennsylvania non-profit organization formerly known as Memorial Health Systems Foundation) became an affiliate of York County Community Foundation as a supporting organization. Its purpose is to improve the complete physical, mental, and social well-being of the residents of York County. The assets and liabilities that were transferred to the Foundation are detailed in the supplementary schedule of noncash investing and financing activities of the consolidated statement of cash flows.

The York County Community Foundation Advocacy Council (Council) (a Pennsylvania non-profit organization) was formed to study community challenges and concerns and to develop and advocate support for recommendations.

For purposes of these consolidated financial statements, the entities are collectively referred to as the Organization. The Organization's primary sources of revenue are from investment income and contributions.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Use of Estimates

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

Basis of Consolidation

The consolidated financial statements include the accounts of the York County Community Foundation, Memorial Health Fund, and the York County Community Foundation Advocacy Council. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

The Organization utilizes the accrual method of accounting and follows the *Not-for-Profit Entities* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Note 2 - Summary of Significant Accounting Policies (continued)

Contributions

Contributions are recorded as revenue when an unconditional promise to give is received. Contributions subject to conditions are recorded as revenue when the conditions limiting the transfer of assets have been satisfied, typically when the promise becomes irrevocable. Contributions are recorded at fair value at the date of donation. Contributions receivable are recorded at the present value of expected net proceeds ultimately payable to the Organization. Contributions with donor-imposed restrictions that are met in the same year as received are reported as unrestricted. Potential uncollectible contributions receivable at year-end are considered immaterial to total contributions receivable, therefore, an allowance for such losses has not been established.

Grants

The Organization records grants when all conditions stipulated by the grant have been substantially met. Grant cancellations and refunds of paid grants are recorded as they occur. Direct charitable service program expenses are recorded as incurred.

Leasehold Improvements and Equipment

The Organization's policy is to capitalize all leasehold improvements and equipment with a useful life of greater than one year. Amortization and depreciation is provided on the straight-line method. Leasehold improvements are amortized over the life of the lease and equipment is depreciated over the estimated useful lives of the respective assets.

Maintenance and repairs are charged to expense when paid; major renewals and betterments greater than \$1,000 are capitalized. When items of furniture, equipment, or leasehold improvements are sold or retired, the related cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in the results of operations.

Net Asset Classification

All contributions, including those with donor-imposed restrictions, are subject to the variance power of the Organization, as established in its governing documents. The variance power gives the Board of Directors the ability to modify donor restrictions that are incapable of fulfillment or inconsistent with the charitable needs of the community. As a result of the variance power, most contributions are classified as unrestricted net assets for financial statement purposes.

Temporarily restricted net assets are comprised of irrevocable charitable trusts and contributions with restrictions that will expire when stipulated time restrictions end or purpose restrictions are fulfilled.

When donor restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Permanently restricted net assets represent contributions which are subject to donor-imposed stipulations, which restrict spendability. Permanently restricted net assets are comprised of interest in perpetual trusts held by a third-party.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Cash Equivalents

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments

The goal of the Organization is to invest its assets in a manner that will preserve and enhance the real value of the assets over time. The investment policy strives to achieve a total rate of return sufficient to replace the assets spent for grants and expenses and recoup any value lost due to inflation. To minimize risk, the Organization diversifies its investments among various financial instruments and asset categories and uses multiple managers. The Organization's portfolios are managed by outside investment managers who invest according to the investment guidelines established by the Investment Committee and approved by the Board of Directors.

Dividend and interest income is accrued as such income is earned.

Beneficial Interests in Trusts

Beneficial interests in trusts consist of beneficial interests in charitable remainder trusts and beneficial interests in perpetual trusts.

For beneficial interests in charitable remainder trusts, donors established and funded trusts under which specified distributions are made to a designated beneficiary or beneficiaries over the trusts' terms. Upon termination of the trusts, the Organization receives the assets remaining in the trusts. Beneficial interests in charitable remainder trusts are recorded at the fair value of the trusts' assets net of the present value of the estimated future payments to be made under the specific terms of the trusts. Changes in net assets of the trusts are recorded as gains or losses (change in value of trusts) in the consolidated statement of activities. Net assets and changes in the net assets are recorded as temporarily restricted.

For beneficial interests in perpetual trusts, the Organization is the beneficiary of several perpetual trusts held by a third-party. Under the terms of the trusts, the Organization has the irrevocable right to receive the income generated by the trust in perpetuity. The beneficial interests in perpetual trusts are recorded at fair value. Changes in net assets of trusts are recorded as gain or losses (change in value of trusts) on the consolidated statement of activities. Net assets and changes in the net assets are recorded as permanently restricted. Distributions received from these trusts are recorded as unrestricted investment income.

Liability to Life Income Beneficiaries under Split-Interest Agreements

The Organization acts as trustee for certain charitable remainder unitrusts. The Organization is also an issuer of charitable gift annuities. The net present value of the anticipated benefit to be received from these agreements is recorded as contribution revenue in the year the agreement is created. The present value of the estimated future payments to be distributed during the beneficiary's expected life is recorded as a liability.

As required distributions are made to these beneficiaries, the liabilities are reduced. Adjustments to the liabilities to reflect amortization of the discount, revaluations of the present value of the estimated future payments and changes in actuarial assumptions are recognized in the consolidated statement of activities as a change in the value of split-interest agreements.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Funds Held as Agency Endowments

Funds held as agency endowments consist of assets transferred from nonprofit organizations that specified themselves or an affiliate as the beneficiary of the fund. It is a reciprocal agreement between the nonprofit organization and the Organization.

Assets are transferred permanently to an endowed fund at the Organization. The assets are invested in an appropriate endowment portfolio allocation and an annual spending policy is applied to determine the maximum amount available to grant to the nonprofit organization during the year. An administrative fee is charged to each fund based on the fund balance.

These endowed funds provide a steady and reliable annual income stream to the nonprofit organization.

Income Taxes

The Foundation is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code.

Memorial is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code.

The Council is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code. In addition, the Council was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization, including whether the entity is exempt from income taxes. Management of the Organization evaluated the tax positions taken and concluded that the Organization had taken no uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before 2013.

Functional Allocation of Expenses

Functional expenses are charged directly to program, management and general (administrative), and fundraising (development) expenses in general categories based on specific identification.

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue From Contracts With Customers*, which provides a robust framework for addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance. This guidance is effective for annual reporting periods beginning after December 15, 2018.

In May 2015, FASB issued ASU 2015-07, *Fair Value Measurement (Topic 850): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also limits certain disclosures to investments for which the entity has elected to measure the fair value using the practical expedient. This ASU will be effective for the Organization for fiscal years beginning after December 15, 2016. Early adoption is permitted and the amendments in ASU 2015-07 should be applied retrospectively to all periods presented.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019.

In August 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions”, and expands disclosures about the nature and amount of any donor restrictions. This guidance is effective for annual periods beginning after December 15, 2017.

The Organization is currently evaluating the impact of the pending adoption of the new standards on the consolidated financial statements.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Cash	\$ 234,653	\$ 225,706
Cash equivalents shown as investments	<u>7,535,585</u>	<u>10,135,125</u>
	<u>\$ 7,770,238</u>	<u>\$ 10,360,831</u>

Note 4 - Investments

Investments are at fair value and consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Cash equivalents	\$ 7,535,585	\$ 10,135,125
Fixed income funds	23,425,640	22,081,310
Equity securities	67,376,327	63,315,561
Alternative investments	<u>32,020,736</u>	<u>27,730,896</u>
	<u>\$ 130,358,288</u>	<u>\$ 123,262,892</u>

Investment income on the consolidated statement of activities is reported net of manager, consultant and custodian fees of \$1,007,334 and \$932,671 for the years ended December 31, 2016 and 2015, respectively.

Equity securities include equity-based mutual funds. Fixed income funds include fixed income-based mutual funds.

Note 5 - Contributions Receivable

Contributions receivable amount to the following as of December 31:

	<u>2016</u>	<u>2015</u>
Receivable in less than one year	\$ 76,252	\$ 62,727
Receivable in one to five years	30,913	62,911
Receivable in more than five years	<u>-</u>	<u>-</u>
Total Contributions Receivable	107,165	125,638
Discount to net present value	<u>(2,012)</u>	<u>(4,131)</u>
	<u>\$ 105,153</u>	<u>\$ 121,507</u>

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 6 - Alternative Investments

The Organization invests in hedged funds and other alternative investments to further diversify its investment portfolio. These funds (primarily the FEG Absolute Access Fund and the FEG Directional Access TEI Fund) have investments in certain securities, limited partnerships, real estate, and other investment funds for which market values may not be readily available. The Organization also holds funds with Commonfund Capital, Inc. (CCI), which has investments in commingled limited partnerships or similar pooled investment vehicles for which market values may not be readily available. The underlying portfolio funds may hold investments for which market quotations are not readily available and thus valued at their fair value, as determined in good faith by their respective portfolio fund managers. Investments in limited partnerships and other investment funds are valued at fair value, which is generally the latest net asset value made available by the fund manager or administrator prior to the valuation date.

The FEG funds have a semiannual liquidity (June 30 and December 31) with 95 days advance notice. There were no outstanding commitments for the FEG funds as of December 31, 2016 and 2015. During March 2017, the Organization tendered redemption offers for these two funds.

The CCI funds have no redemption options and the investment will terminate on February 4, 2029. During 2014, the Organization made a \$4 million commitment to private capital with CCI under terms of a subscription agreement. Drawdowns for the years ended December 31, 2016 and 2015 amounted to \$980,000 and \$660,000, respectively. Outstanding commitments as of December 31, 2016 and 2015 amounted to \$2,360,000 and \$3,340,000, respectively.

The funds hold certain investments, which may be valued by a single market maker. The estimated values may differ significantly from the values that would have been used had a ready market for the investment existed; they may have been affected by the decline in liquidity and prices of investments and real estate or by the lack of observable transaction data and inputs in certain transactions. Actual results could differ from those estimates, and the difference could be material.

Risks arise from changes in the value of the transactions, contracts, and agreements and the potential inability of the funds to timely liquidate individual funds or real estate in the portfolio. There are numerous factors, which may significantly influence the market value of these contracts and agreements, including interest rate volatility and currency and future adverse political and economic developments involving investments in foreign companies. These factors were considered by the Organization prior to making this investment and it was determined the investment would be beneficial to leverage risk in other areas of the investment portfolio.

Note 7 - Fair Value of Financial Instruments

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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

Note 7 - Fair Value of Financial Instruments (continued)

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; and
- 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 (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.

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 are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2016 and 2015.

Cash equivalents: these assets have liquidity available within 90 days or less from initial purchase date and therefore do not need to be marked to market.

Mutual funds: valued based on quoted market prices for the identical securities.

Alternative investments: marketable and nonmarketable securities include alternative investments such as hedge funds, private equity, and real estate and are valued using the net asset value (NAV) of the fund obtained from the general partner or investment manager. Substantially all the underlying investments are marked to market, with the general partner reserving the right to make adjustments to such valuations or approve the use of certain estimates if deemed necessary to reflect the appropriate estimated fair value (see Note 6).

Beneficial interests in perpetual trusts (trusts): valued at the Organization's interest in the quoted market prices of the underlying assets contained in the trusts at year-end. Control of the assets is held by the Trustee, not the Organization.

Additionally, certain of the Organization's beneficial interests in perpetual trusts were invested in assets whose fair value was determined using net asset value of the respective trust's investments. Although the investments in these trusts are exclusively identified as Level 3 in accordance with ASC 820, the underlying holdings of the investments fund are comprised of a combination of Level 1, 2, and 3 securities. The Investments Fund reports the net asset value of the Fund's investment to the Fund on a periodic basis.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 7 - Fair Value of Financial Instruments (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value at time of sale or maturity or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31:

	2016			Total
	Level 1	Level 2	Level 3	
Assets				
Investments				
Cash equivalents	\$ 7,535,585	\$ -	\$ -	\$ 7,535,585
Mutual Funds				
Fixed income funds	23,425,640	-	-	23,425,640
Domestic stock funds	34,066,616	-	-	34,066,616
International stock funds	33,309,711	-	-	33,309,711
Total Mutual Funds	90,801,967	-	-	90,801,967
Alternative Investments				
Hedge funds	-	-	17,782,552	17,782,552
Natural resources funds	7,057,827	-	-	7,057,827
Real estate funds	5,092,593	-	-	5,092,593
Private equity funds	-	-	1,731,764	1,731,764
Other	-	-	356,000	356,000
Total Alternative Investments	12,150,420	-	19,870,316	32,020,736
Total Investments	\$ 110,487,972	\$ -	\$ 19,870,316	\$ 130,358,288
Beneficial Interests in Perpetual Trusts	\$ -	\$ -	\$ 3,053,787	\$ 3,053,787

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 7 - Fair Value of Financial Instruments (continued)

	2015			Total
	Level 1	Level 2	Level 3	
Assets				
Investments				
Cash equivalents	\$ 10,135,125	\$ -	\$ -	\$ 10,135,125
Mutual Funds				
Fixed income funds	22,081,310	-	-	22,081,310
Domestic stock funds	29,532,456	-	-	29,532,456
International stock funds	33,783,105	-	-	33,783,105
Total Mutual Funds	85,396,871	-	-	85,396,871
Alternative Investments				
Hedge funds	-	-	17,442,662	17,442,662
Natural resources funds	4,844,397	-	-	4,844,397
Real estate funds	4,696,613	-	-	4,696,613
Private equity funds	-	-	666,224	666,224
Other	-	-	81,000	81,000
Total Alternative Investments	9,541,010	-	18,189,886	27,730,896
Total Investments	\$ 105,073,006	\$ -	\$ 18,189,886	\$ 123,262,892
Beneficial Interests in Perpetual Trusts	\$ -	\$ -	\$ 3,058,520	\$ 3,058,520

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 7 - Fair Value of Financial Instruments (continued)

For investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period, a reconciliation of the beginning and ending balances is required as follows for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Investments		
Beginning balance	\$ 18,189,886	\$ 16,636,748
Transfer from Memorial	-	31,000
Sales	(8,033,336)	-
Purchases	9,288,336	1,660,000
Total gains or losses (realized/unrealized) included in changes in net assets	<u>425,430</u>	<u>(137,862)</u>
Ending balance	<u>\$ 19,870,316</u>	<u>\$ 18,189,886</u>
Beneficial Interests in Perpetual Trusts		
Beginning balance	\$ 3,058,520	\$ 960,635
Transfer from Memorial	-	2,346,418
Change in beneficial interests in perpetual trusts	<u>(4,733)</u>	<u>(248,533)</u>
Ending balance	<u>\$ 3,053,787</u>	<u>\$ 3,058,520</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended December 31, 2016 and 2015, there were no transfers in or out of Levels 1, 2, or 3.

The carrying amounts of cash, accounts payable and accrued expenses, and grants payable in the accompanying consolidated statement of financial position, approximate fair value given the short-term nature of these financial instruments.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 8 - Grants and Fund Distributions

Grants and fund distributions approved and paid in 2016 and 2015 and those committed for future payments consisted of the following at December 31, 2016 and 2015:

	<u>Grants</u>	<u>Distributions from Agency Endowments</u>	<u>Total</u>
Payable December 31, 2014	\$ 173,715	\$ -	\$ 173,715
2015 grants approved	3,753,474	685,361	4,438,835
2015 grants paid	<u>(3,831,764)</u>	<u>(685,361)</u>	<u>(4,517,125)</u>
Payable December 31, 2015	95,425	-	95,425
2016 grants approved	4,566,149	693,515	5,259,664
2016 grants paid	<u>(4,519,599)</u>	<u>(684,928)</u>	<u>(5,204,527)</u>
Payable December 31, 2016	<u>\$ 141,975</u>	<u>\$ 8,587</u>	<u>\$ 150,562</u>

Grants and distributions from agency endowments as of December 31, 2016 are payable in 2017.

Note 9 - Organization Endowment Funds Held for Others

The Organization maintains variance power and legal ownership of organization endowment funds, and as such, continues to report the funds as assets of the Organization. However, in accordance with the *Not-for-Profit Entities* topic of the FASB ASC, a liability has been established as funds held as agency endowments, which is equivalent to the funds' current fair market value.

	<u>2016</u>	<u>2015</u>
Funds held as agency endowments	\$ 18,342,266	\$ 17,132,514
Grants payable	<u>8,587</u>	<u>-</u>
Organization Endowment Funds Held for Others	<u>\$ 18,350,853</u>	<u>\$ 17,132,514</u>

Note 10 - Retirement Plan

The Organization maintains a 403(b)(7) tax-deferred retirement plan that covers employees who meet certain eligibility requirements. The Organization's contributions to the plan are comprised of a matching contribution equal to 100% of an employee's contribution, not to exceed 5% of an employee's compensation. Participants may make voluntary contributions to the plan up to Internal Revenue Service guideline amounts. Employer contributions to the plan were \$34,470 and \$31,709 for the years ended December 31, 2016 and 2015, respectively.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Note 11 - Operating Lease

The Organization has a lease agreement for office space through 2023. Renovations to the expanded space are capitalized as leasehold improvements. Rent expense under the lease for the years ended December 31, 2016 and 2015 was \$42,154 and \$38,542, respectively.

Future minimum rental lease payments, assuming no change in current terms, consist of the following for the five years ending December 31, 2021; and thereafter:

2017	\$	65,332
2018		66,638
2019		67,945
2020		69,320
2021		70,696
Thereafter		<u>145,724</u>
	\$	<u>485,655</u>

Note 12 - Concentration of Credit Risk

In the normal course of business, the Organization has cash deposits in a financial institution in excess of the amount insured by agencies of the federal government. The Organization's investments are subject to fluctuations in the fair values of these investments. As a result of fluctuations, net assets may be impacted by the changes in general economic conditions. At times during the years ended December 31, 2016 and 2015, the Foundation's cash balances may have exceeded federally insured limits.

Note 13 - Contingencies

Memorial Hospital participated in a captive insurance program for workers' compensation. Memorial Health Fund (Memorial) is responsible for outstanding claims until all open years under the program are closed, which will be 2017. As of December 31, 2016, Memorial's maximum exposure for the years currently open is \$62,087. As required by the Captive Insurance Program, Memorial maintains a letter of credit to cover any claims that exceed the amounts previously contributed into the program. The letter of credit amounted to \$230,617 as of December 31, 2016.

The Organization may be subject to claims or litigation in the ordinary course of business. Regarding the exposure from Memorial Hospital, Memorial has purchased a tail insurance policy to cover malpractice claims which may arise. Management is of the opinion that there are no outstanding claims against the Organization that would have a materially adverse effect on the Organization's financial position or result of activities as of December 31, 2016.

Note 14 - Subsequent Events

Management of the Organization has evaluated all subsequent events through May 8, 2017. This date is the date the consolidated financial statements were available to be issued. No material events subsequent to December 31, 2016 were noted other than those discussed in Note 6 of the consolidated financial statements.

York County Community Foundation and Affiliates

Consolidating Statement of Financial Position

	December 31, 2016				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Assets					
Assets					
Cash	\$ 124,194	\$ 100	\$ 110,359	\$ -	\$ 234,653
Investments	130,327,288	-	31,000	-	130,358,288
Contributions receivable	95,855	-	9,298	-	105,153
Beneficial interests in trusts	973,102	-	2,140,652	-	3,113,754
Beneficial interest in community foundation	(16,255,356)	-	16,345,697	(90,341)	-
Cash surrender value of life insurance	1,189,186	-	-	-	1,189,186
Leasehold improvements and equipment (less accumulated depreciation of \$614,111)	5,510	-	-	-	5,510
Total Assets	\$ 116,459,779	\$ 100	\$ 18,637,006	\$ (90,341)	\$ 135,006,544
Liabilities and Net Assets					
Liabilities					
Grants and fund distribution payables	\$ 25,562	\$ -	\$ 125,000	\$ -	\$ 150,562
Accounts payable and accrued liabilities	51,493	-	-	-	51,493
Liability to life income beneficiaries under split-interest agreements	3,536,529	-	-	-	3,536,529
Funds held as agency endowments	18,432,607	-	-	(90,341)	18,342,266
Total Liabilities	22,046,191	-	125,000	(90,341)	22,080,850
Net Assets					
Unrestricted	89,684,494	100	16,250,509	-	105,935,103
Temporarily restricted	3,815,959	-	120,845	-	3,936,804
Permanently restricted	913,135	-	2,140,652	-	3,053,787
Total Net Assets	94,413,588	100	18,512,006	-	112,925,694
Total Liabilities and Net Assets	\$ 116,459,779	\$ 100	\$ 18,637,006	\$ (90,341)	\$ 135,006,544

December 31, 2015

	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Assets					
Assets					
Cash	\$ 131,942	\$ 100	\$ 93,664	\$ -	\$ 225,706
Investments	123,201,917	-	60,975	-	123,262,892
Contributions receivable	110,632	-	10,875	-	121,507
Beneficial interests in trusts	1,178,814	-	2,152,957	-	3,331,771
Beneficial interest in community foundation	(15,696,269)	-	15,696,269	-	-
Cash surrender value of life insurance	1,160,899	-	-	-	1,160,899
Leasehold improvements and equipment (less accumulated depreciation of \$602,978)	16,643	-	-	-	16,643
Total Assets	\$ 110,104,578	\$ 100	\$ 18,014,740	\$ -	\$ 128,119,418
Liabilities and Net Assets					
Liabilities					
Grants and fund distribution payables	\$ 95,425	\$ -	\$ -	\$ -	\$ 95,425
Accounts payable and accrued liabilities	52,784	-	66,491	-	119,275
Liability to life income beneficiaries under split-interest agreements	2,943,179	-	-	-	2,943,179
Funds held as agency endowments	17,132,514	-	-	-	17,132,514
Total Liabilities	20,223,902	-	66,491	-	20,290,393
Net Assets					
Unrestricted	85,048,900	100	15,674,463	-	100,723,463
Temporarily restricted	3,917,179	-	129,863	-	4,047,042
Permanently restricted	914,597	-	2,143,923	-	3,058,520
Total Net Assets	89,880,676	100	17,948,249	-	107,829,025
Total Liabilities and Net Assets	\$ 110,104,578	\$ 100	\$ 18,014,740	\$ -	\$ 128,119,418

York County Community Foundation and Affiliates

Consolidating Statement of Activities

	Year Ended December 31, 2016				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Changes in Unrestricted Net Assets					
Revenues, Gains and Support					
Total amounts raised	\$ 4,631,673	\$ 525	\$ 6,294	\$ (6,799)	\$ 4,631,693
Less amounts received as agency endowments	<u>834,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>834,390</u>
Contributions	<u>3,797,283</u>	<u>525</u>	<u>6,294</u>	<u>(6,799)</u>	<u>3,797,303</u>
Investment income	2,084,490	-	108,479	176,453	2,369,422
Less investment income for agency endowments	<u>185,158</u>	<u>-</u>	<u>-</u>	<u>(937)</u>	<u>184,221</u>
	<u>1,899,332</u>	<u>-</u>	<u>108,479</u>	<u>177,390</u>	<u>2,185,201</u>
Investment gains	4,972,084	-	-	560,116	5,532,200
Less investment gains for agency endowments	<u>889,098</u>	<u>-</u>	<u>-</u>	<u>(4,442)</u>	<u>884,656</u>
	<u>4,082,986</u>	<u>-</u>	<u>-</u>	<u>564,558</u>	<u>4,647,544</u>
Release of agency endowment liability	-	-	-	-	-
Change in value of split-interest agreements	<u>(35,209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,209)</u>
Gains from beneficial interest in trusts	-	-	737,865	(737,865)	-
Other income	154,304	-	324,213	-	478,517
Net assets released from restrictions	<u>296,393</u>	<u>-</u>	<u>9,090</u>	<u>-</u>	<u>305,483</u>
	<u>415,488</u>	<u>-</u>	<u>1,071,168</u>	<u>(737,865)</u>	<u>748,791</u>
Total Revenues, Gains and Support	<u>10,195,089</u>	<u>525</u>	<u>1,185,941</u>	<u>(2,716)</u>	<u>11,378,839</u>
Expenses					
Program services					
Distributions from funds	4,711,840	-	554,623	(6,799)	5,259,664
Less distributions from agency endowments	<u>697,598</u>	<u>-</u>	<u>-</u>	<u>(4,083)</u>	<u>693,515</u>
Grant Distributions	<u>4,014,242</u>	<u>-</u>	<u>554,623</u>	<u>(2,716)</u>	<u>4,566,149</u>
Charitable programs	<u>690,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>690,745</u>
Total Program Services	<u>4,704,987</u>	<u>-</u>	<u>554,623</u>	<u>(2,716)</u>	<u>5,256,894</u>
Administrative	541,984	525	55,272	-	597,781
Development	<u>312,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,524</u>
Total Expenses	<u>5,559,495</u>	<u>525</u>	<u>609,895</u>	<u>(2,716)</u>	<u>6,167,199</u>
Changes in Unrestricted Net Assets	4,635,594	-	576,046	-	5,211,640
Unrestricted Net Assets at Beginning of Year	<u>85,048,900</u>	<u>100</u>	<u>15,674,463</u>	<u>-</u>	<u>100,723,463</u>
Unrestricted Net Assets at End of Year	<u>\$ 89,684,494</u>	<u>\$ 100</u>	<u>\$ 16,250,509</u>	<u>\$ -</u>	<u>\$ 105,935,103</u>

York County Community Foundation and Affiliates

Consolidating Statement of Activities (continued)

	Year Ended December 31, 2016				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Changes in Temporarily Restricted Net Assets					
Revenues, Gains and Support					
Total amounts raised	\$ 54,440	\$ -	\$ -	\$ -	\$ 54,440
Less amounts received as agency endowments	-	-	-	-	-
Contributions	54,440	-	-	-	54,440
Investment income	-	-	72	-	72
Less investment income for agency endowments	-	-	-	-	-
	-	-	72	-	72
Change in value of split-interest agreements	140,733	-	-	-	140,733
Net assets released from restrictions	(296,393)	-	(9,090)	-	(305,483)
	(155,660)	-	(9,090)	-	(164,750)
Total Revenues, Gains and Support	(101,220)	-	(9,018)	-	(110,238)
Changes in Temporarily Restricted Net Assets	(101,220)	-	(9,018)	-	(110,238)
Temporarily Restricted Net Assets at Beginning of Year	3,917,179	-	129,863	-	4,047,042
Temporarily Restricted Net Assets at End of Year	\$ 3,815,959	\$ -	\$ 120,845	\$ -	\$ 3,936,804
Changes in Permanently Restricted Net Assets					
Revenues, Gains and Support					
Losses from beneficial interest in trusts	\$ (1,462)	\$ -	\$ (3,271)	\$ -	\$ (4,733)
Changes in Permanently Restricted Net Assets	(1,462)	-	(3,271)	-	(4,733)
Permanently Restricted Net Assets at Beginning of Year	914,597	-	2,143,923	-	3,058,520
Permanently Restricted Net Assets at End of Year	\$ 913,135	\$ -	\$ 2,140,652	\$ -	\$ 3,053,787

York County Community Foundation and Affiliates

Consolidating Statement of Activities (continued)

	Year Ended December 31, 2015				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Changes in Unrestricted Net Assets					
Revenues, Gains and Support					
Total amounts raised	\$ 11,473,234	\$ 4,368	\$ 2,149	\$ (6,517)	\$ 11,473,234
Less amounts received as agency endowments	4,437,506	-	-	-	4,437,506
Contributions	7,035,728	4,368	2,149	(6,517)	7,035,728
Investment income	1,871,409	-	93,884	191,878	2,157,171
Less investment income for agency endowments	162,954	-	-	(1,004)	161,950
	1,708,455	-	93,884	192,882	1,995,221
Investment losses	(6,055,585)	-	(16,864)	(1,066,117)	(7,138,566)
Less investment losses for agency endowments	(883,282)	-	-	7,045	(876,237)
	(5,172,303)	-	(16,864)	(1,073,162)	(6,262,329)
Release of agency endowment liability	43,127	-	-	-	43,127
Change in value of split-interest agreements	(15,613)	-	-	-	(15,613)
Losses from beneficial interest in trusts	-	-	(880,280)	880,280	-
Other income	84,379	-	-	-	84,379
Net assets released from restrictions	271,113	-	-	-	271,113
	383,006	-	(880,280)	880,280	383,006
Total Revenues, Gains and Support	3,954,886	4,368	(801,111)	(6,517)	3,151,626
Expenses					
Program services					
Distributions from funds	4,445,352	-	-	(6,517)	4,438,835
Less distributions from agency endowments	685,361	-	-	-	685,361
Grant Distributions	3,759,991	-	-	(6,517)	3,753,474
Charitable programs	549,730	3,868	-	-	553,598
Total Program Services	4,309,721	3,868	-	(6,517)	4,307,072
Administrative	533,296	500	30,857	-	564,653
Development	322,792	-	-	-	322,792
Total Expenses	5,165,809	4,368	30,857	(6,517)	5,194,517
Changes in Unrestricted Net Assets	(1,210,923)	-	(831,968)	-	(2,042,891)
Unrestricted Net Assets at Beginning of Year	86,259,823	100	-	-	86,259,923
Transfer of Unrestricted Net Assets from Memorial Health Fund	-	-	16,506,431	-	16,506,431
Unrestricted Net Assets at End of Year	\$ 85,048,900	\$ 100	\$ 15,674,463	\$ -	\$ 100,723,463

York County Community Foundation and Affiliates

Consolidating Statement of Activities (continued)

	Year Ended December 31, 2015				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Changes in Temporarily Restricted Net Assets					
Revenues, Gains and Support					
Total amounts raised	\$ 17,771	\$ -	\$ -	\$ -	\$ 17,771
Less amounts received as agency endowments	-	-	-	-	-
Contributions	<u>17,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,771</u>
Investment income	-	-	36	-	36
Less investment income for agency endowments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>36</u>
Change in value of split-interest agreements	(107,831)	-	-	-	(107,831)
Net assets released from restrictions	<u>(271,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(271,113)</u>
	<u>(378,944)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(378,944)</u>
Total Revenues, Gains and Support	<u>(361,173)</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>(361,137)</u>
Changes in Temporarily Restricted Net Assets	(361,173)	-	36	-	(361,137)
Temporarily Restricted Net Assets at Beginning of Year	4,278,352	-	-	-	4,278,352
Transfer of Temporarily Restricted Net Assets from Memorial Health Fund	<u>-</u>	<u>-</u>	<u>129,827</u>	<u>-</u>	<u>129,827</u>
Temporarily Restricted Net Assets at End of Year	<u>\$ 3,917,179</u>	<u>\$ -</u>	<u>\$ 129,863</u>	<u>\$ -</u>	<u>\$ 4,047,042</u>
Changes in Permanently Restricted Net Assets					
Revenues, Gains and Support					
Losses from beneficial interest in trusts	\$ (46,038)	\$ -	\$ (202,495)	\$ -	\$ (248,533)
Changes in Permanently Restricted Net Assets	(46,038)	-	(202,495)	-	(248,533)
Permanently Restricted Net Assets at Beginning of Year	960,635	-	-	-	960,635
Transfer of Permanently Restricted Net Assets from Memorial Health Fund	<u>-</u>	<u>-</u>	<u>2,346,418</u>	<u>-</u>	<u>2,346,418</u>
Permanently Restricted Net Assets at End of Year	<u>\$ 914,597</u>	<u>\$ -</u>	<u>\$ 2,143,923</u>	<u>\$ -</u>	<u>\$ 3,058,520</u>