



A CATALYST FOR COMMUNITY HEALTH

Phoenix, Arizona

FINANCIAL STATEMENTS

Years Ended June 30, 2020 and 2019

VITALYST HEALTH FOUNDATION
TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1
Statements of Financial Position	3
Statements of Activities	5
Statement of Functional Expenses Year Ended June 30, 2020	6
Statement of Functional Expenses Year Ended June 30, 2019	7
Statements of Cash Flows	8
Notes to Financial Statements	9
SUPPLEMENTARY INFORMATION	
Schedule of Net Assets Information Year Ended June 30, 2020	29
Schedule of Net Assets Information Year Ended June 30, 2019	30

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Vitalyst Health Foundation
Phoenix, Arizona

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, 2020 and 2019, and the related statements of activities, functional expenses, 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.

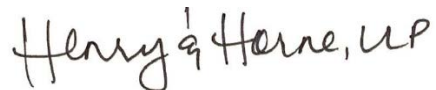
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2020 and 2019, 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 Assets 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.

A handwritten signature in cursive script that reads "Henry & Horne, LLP".

Tempe, Arizona
September 30, 2020

VITALYST HEALTH FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,502,402	\$ 3,205,854
Certificate of deposit	-	102,975
Contract and other receivables	47,132	37,787
Prepaid expenses and other current assets	<u>22,495</u>	<u>20,568</u>
TOTAL CURRENT ASSETS	<u>3,572,029</u>	<u>3,367,184</u>
PROPERTY AND EQUIPMENT		
Furniture	261,121	264,422
Equipment	131,554	135,181
Leasehold improvements	<u>357,853</u>	<u>357,853</u>
	750,528	757,456
Accumulated depreciation	<u>(708,612)</u>	<u>(688,320)</u>
PROPERTY AND EQUIPMENT, net	<u>41,916</u>	<u>69,136</u>
OTHER ASSETS		
Investments	<u>110,263,264</u>	<u>122,699,791</u>
TOTAL OTHER ASSETS	<u>110,263,264</u>	<u>122,699,791</u>
TOTAL ASSETS	<u>\$ 113,877,209</u>	<u>\$ 126,136,111</u>

See accompanying notes.

VITALYST HEALTH FOUNDATION
STATEMENTS OF FINANCIAL POSITION (Continued)
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 186,388	\$ 221,079
Deferred rent, current portion	55,178	42,058
Grants payable	342,748	515,743
	<u>584,314</u>	<u>778,880</u>
TOTAL CURRENT LIABILITIES	<u>584,314</u>	<u>778,880</u>
LONG-TERM LIABILITIES		
Deferred rent, net of current portion	91,964	147,141
Note payable	-	51,488
	<u>91,964</u>	<u>198,629</u>
TOTAL LONG-TERM LIABILITIES	<u>91,964</u>	<u>198,629</u>
TOTAL LIABILITIES	<u>676,278</u>	<u>977,509</u>
NET ASSETS		
Without donor restrictions	95,167,984	105,771,891
With donor restrictions	18,032,947	19,386,711
	<u>113,200,931</u>	<u>125,158,602</u>
TOTAL NET ASSETS	<u>113,200,931</u>	<u>125,158,602</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 113,877,209</u>	<u>\$ 126,136,111</u>

See accompanying notes.

VITALYST HEALTH FOUNDATION
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, LOSSES AND OTHER SUPPORT						
Investment return	\$ (5,522,871)	\$ (753,360)	\$ (6,276,231)	\$ 4,414,595	\$ 780,012	\$ 5,194,607
Contributions	79,985	(7,182)	72,803	63,470	76,900	140,370
Contract and other income	161,586	-	161,586	159,913	-	159,913
Net assets released from donor restrictions:						
Health care services and programs of various institutions	187,444	(187,444)	-	127,735	(127,735)	-
Expenses of qualified hearing-related programs	184,047	(184,047)	-	302,180	(302,180)	-
Expenses of qualified vision-related programs	221,731	(221,731)	-	211,794	(211,794)	-
TOTAL REVENUE, LOSSES AND OTHER SUPPORT	(4,688,078)	(1,353,764)	(6,041,842)	5,279,687	215,203	5,494,890
GRANTS AND EXPENSES						
Contributions to health care related organizations	2,419,928	-	2,419,928	1,820,915	-	1,820,915
Program related expenses						
General program	1,470,147	-	1,470,147	1,373,767	-	1,373,767
Capacity building/civic participation	286,209	-	286,209	72,554	-	72,554
Community development	678,280	-	678,280	739,411	-	739,411
Health policy	418,380	-	418,380	295,026	-	295,026
Total program related expenses	5,272,944	-	5,272,944	4,301,673	-	4,301,673
Supporting services						
Administrative expenses	642,885	-	642,885	587,041	-	587,041
Total supporting services	642,885	-	642,885	587,041	-	587,041
TOTAL GRANTS AND EXPENSES	5,915,829	-	5,915,829	4,888,714	-	4,888,714
CHANGE IN NET ASSETS	(10,603,907)	(1,353,764)	(11,957,671)	390,973	215,203	606,176
NET ASSETS, BEGINNING OF YEAR	105,771,891	19,386,711	125,158,602	105,380,918	19,171,508	124,552,426
NET ASSETS, END OF YEAR	\$ 95,167,984	\$ 18,032,947	\$ 113,200,931	\$ 105,771,891	\$ 19,386,711	\$ 125,158,602

See accompanying notes.

VITALYST HEALTH FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Program Services						Management and General	Total
	Contributions to Health Care Related Organizations	General Program	Capacity Building/Civic Participation	Community Development	Health Policy	Total Program Services		
Grants	\$ 2,419,928	\$ -	\$ -	\$ -	\$ -	\$ 2,419,928	\$ -	\$ 2,419,928
Salaries and wages	-	853,795	-	136,592	44,390	1,034,777	324,863	1,359,640
Payroll taxes and benefits	-	222,943	-	38,444	3,717	265,104	94,438	359,542
Professional fees	-	10,888	-	-	-	10,888	64,324	75,212
Advertising	-	6,289	2,650	4,432	1,584	14,955	2,419	17,374
Office expenses	-	19,606	1,215	2,783	161	23,765	7,541	31,306
Information technology	-	67,776	940	364	942	70,022	27,270	97,292
Occupancy	-	176,062	-	-	-	176,062	67,723	243,785
Travel	-	9,810	7,353	8,999	2,121	28,283	3,774	32,057
Conferences and meetings	-	34,978	9,163	6,810	5,339	56,290	11,532	67,822
Depreciation	-	-	-	-	-	-	11,475	11,475
Insurance	-	20,663	-	650	-	21,313	7,948	29,261
Equipment rental and maintenance	-	8,824	696	-	-	9,520	3,394	12,914
Dues and subscriptions	-	23,789	1,850	44,438	-	70,077	9,150	79,227
Employee training and retention	-	4,401	15,163	2,716	2,150	24,430	6,400	30,830
Contracts	-	3,779	309,588	390,567	336,588	1,040,522	1,454	1,041,976
Miscellaneous	-	3,476	1,362	-	-	4,838	1,350	6,188
TOTAL EXPENSES	\$ 2,419,928	\$ 1,467,079	\$ 349,980	\$ 636,795	\$ 396,992	\$ 5,270,774	\$ 645,055	\$ 5,915,829

See accompanying notes.

VITALYST HEALTH FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	Program Services							Management and General	Total
	Contributions to Health Care Related Organizations	General Program	Capacity Building/Civic Participation	Community Development	Health Policy	Total Program Services			
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	4,847	11,006	6,797	29,117	2,488	31,605	
Office expenses	-	21,925	4,202	9,154	2,318	37,599	8,488	46,087	
Information technology	-	55,939	1,274	293	798	58,304	24,217	82,521	
Occupancy	-	167,528	-	-	-	167,528	64,440	231,968	
Travel	-	23,194	3,055	14,577	715	41,541	8,922	50,463	
Conferences and meetings	-	43,148	14,882	48,659	6,899	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	596	8,802	-	21,329	5,056	26,385	
Contracts	-	12,423	138,908	373,147	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	\$ 168,014	\$ 658,279	\$ 280,698	\$ 4,301,673	\$ 587,041	\$ 4,888,714	

See accompanying notes.

VITALYST HEALTH FOUNDATION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (11,957,671)	\$ 606,176
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	27,220	33,540
Deferred rent expense	(42,057)	(35,498)
Interest accrued on note payable	997	470
Interest earned on certificate of deposit	(1,994)	(939)
Net realized and unrealized (gains) losses on investments	7,915,800	(3,381,341)
(Increase) decrease in:		
Contract and other receivables	(9,345)	(13,366)
Prepaid expenses and other current assets	(1,927)	10,786
Increase (decrease) in:		
Accounts payable and accrued liabilities	(34,691)	24,393
Grants payable	(172,995)	(168,564)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(4,276,663)</u>	<u>(2,924,343)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from redemption of certificate of deposit	104,969	-
Purchase of investments	(26,549,676)	(34,701,806)
Proceeds from sale of investments	31,070,403	38,473,633
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>4,625,696</u>	<u>3,771,827</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	(52,485)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(52,485)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	296,548	847,484
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,205,854</u>	<u>2,358,370</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 3,502,402</u></u>	<u><u>\$ 3,205,854</u></u>

See accompanying notes.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES

Nature of Activities

Vitalyst Health Foundation (“Vitalyst”) is an Arizona not-for-profit organization whose mission is to connect, support, and inform efforts to improve the health of individuals and communities in Arizona. Vitalyst was established following the sale of the St. Luke’s Health System to a for-profit corporation in 1996. Vitalyst operated as St. Luke’s Charitable Health Trust from 1996 through 1999 and then St. Luke’s Health Initiatives from 2000 through March 2016 when the foundation’s name was formally changed to Vitalyst. Over its history, Vitalyst has invested millions of dollars into Arizona health in areas ranging from statewide health policy to local community gardens. Vitalyst has established itself as a thought leader, convener, framer, and catalyst of key health initiatives and coalitions.

Programs:

Contributions to Health Care Related Organizations

Vitalyst has always provided grants to community organizations. In 2013, the Innovation Grants grant process was launched to identify opportunities to improve health outcomes through changing policies and/or practices and award monies of \$75,000 to \$125,000 over two years. In 2019, Vitalyst tailored the grants processes further to tiered grants that build upon each other and its capacity building investments. Spark Grants are planning grants to support collaborations in their initial journey to address systemic change and are funded for one year at \$10,000 to \$30,000. Systems Change grants are the second-tier larger grants investing in catalytic collaborative work that transforms systems to improve the health of our communities. Systems Change Grants are between \$150,000 to \$175,000 over three years. The primary goal of both processes is to support collaborative projects that are improving the health of Arizonans by making systems more effective, equitable, and sustainable.

Vitalyst also makes targeted investments that advance its current initiatives through compiling and disaggregating data to inform statewide policy decisions. This includes supporting outreach and enrollment into the Health Insurance Marketplace, AHCCCS (Arizona’s Medicaid program) and the Children’s Health Insurance Program (CHIP). As data continues to demonstrate the significant impact of social determinants on health outcomes, Vitalyst has grown its work in healthy communities including dedicated investments to support affordable quality housing, equitable educational opportunity, quality affordable food, and building social and cultural cohesion through civic health.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

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 CHIP, 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, 2020 and 2019

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 \$11,475 and \$17,795 for the years ended June 30, 2020 and 2019, 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, 2020 and 2019

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 consist 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, 2020 and 2019

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, 2020 and 2019

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

Contributions

In June 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2018-08, *Not-for-Profit Entities-Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made by clarifying whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional or unconditional. The change in accounting principle was adopted on a modified prospective basis on July 1, 2019. As a result, there was no cumulative effect adjustment to beginning net assets as of July 1, 2019.

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 \$475,000 and \$512,000 as of June 30, 2020 and 2019, respectively.

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.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

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

Net Assets (Continued)

- 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.

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, 2020 and 2019, 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, 2020 and 2019, Vitalyst did not have any income tax related interest and penalty expense.

VITALYST HEALTH FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

Date of Management's Review

In preparing these financial statements, Vitalyst has evaluated events and transactions for potential recognition or disclosure through September 30, 2020, the date the financial statements were available to be issued.

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, 2020 and 2019, financial assets that could readily be made available to meet general expenditures within the next year is calculated as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,502,402	\$ 3,205,854
Certificate of deposit	-	102,975
Contract and other receivables	47,132	37,787
Plus: investments in liquid securities	79,974,749	85,283,539
Less: donor restricted funds	<u>(18,032,947)</u>	<u>(19,386,711)</u>
Available for financial obligations	<u>\$ 65,491,336</u>	<u>\$ 69,243,444</u>

Non-liquid investments total \$30,288,515 and \$37,416,252 at June 30, 2020 and 2019, respectively. 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.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

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 2.3% which matured in April 2020.

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 matured in April 2020 at which time the partnering organization chose to contribute its share of the funds, as well as any interest earned on these amounts to Vitalyst to be used in the vision work program.

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.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 60,191,692	\$ -	\$ -	\$ 60,191,692
U.S. treasury securities	6,349,029	-	-	6,349,029
Mutual funds	<u>13,434,028</u>	<u>-</u>	<u>-</u>	<u>13,434,028</u>
 Total investments measured at fair value	 <u>\$ 79,974,749</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>79,974,749</u>
 Private equity funds				7,296,218
Real estate funds				4,525,110
Distressed debt fund				3,342,305
Futures funds				4,392,993
Hedge funds				<u>10,731,889</u>
 Total investments measured at net asset value				 <u>30,288,515</u>
 Total investments				 <u>\$ 110,263,264</u>

VITALYST HEALTH FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

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, 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>

In accordance with FASB, 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, 2020 and 2019

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, 2020:

	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Private equity funds	\$ 7,296,218	\$ 10,226,125	Ineligible	-
Real estate funds	4,525,110	2,682,103	Ineligible	-
Distressed debt fund	3,342,305	791,521	Ineligible	-
Futures fund	2,001,220	-	Monthly	3 days
Futures fund	2,391,773	-	Daily	-
Hedge fund	10,193,228	-	Monthly	60 - 90 days
Hedge fund	538,661	-	Quarterly	45 - 65 days
Total	<u>\$ 30,288,515</u>	<u>\$ 13,699,749</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, 2019:

	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
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	60 - 90 days
Hedge fund	6,015,512	-	Quarterly	45 - 65 days
Total	<u>\$ 37,416,252</u>	<u>\$ 11,526,019</u>		

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, 2020 and 2019

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>2020</u>	<u>2019</u>
Interest, dividends and other investment income	\$ 2,194,679	\$ 2,403,275
Net realized gains	1,542,945	7,136,874
Net unrealized (losses)	(9,458,745)	(3,755,533)
Investment fees	<u>(555,110)</u>	<u>(590,009)</u>
Total investment return	<u>\$ (6,276,231)</u>	<u>\$ 5,194,607</u>

Investment advisory fees for alternative investments of an estimated \$289,000 and \$304,000 for the years ended June 30, 2020 and 2019, respectively, were incurred and netted against investment revenues in the amounts above.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

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 10), and also credits received from the landlord for leasehold improvements as follows:

	<u>2020</u>	<u>2019</u>
Rent holiday and graduated rent payments	\$ 105,156	\$ 131,469
Other lease incentives	16,556	22,764
Leasehold improvements credits	<u>25,430</u>	<u>34,966</u>
	147,142	189,199
Current portion	<u>(55,178)</u>	<u>(42,058)</u>
	<u>\$ 91,964</u>	<u>\$ 147,141</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, 2018	\$ -	\$ 17,014,578	\$ 17,014,578
Interest and dividends	-	286,942	286,942
Net realized gains	-	837,490	837,490
Net unrealized losses	-	(445,234)	(445,234)
Amounts appropriated for expenditure	<u>-</u>	<u>(558,780)</u>	<u>(558,780)</u>
Balance, June 30, 2019	-	17,134,996	17,134,996
Interest and dividends	-	266,807	266,807
Net realized gains	-	187,290	187,290
Net unrealized losses	-	(1,109,694)	(1,109,694)
Amounts appropriated for expenditure	<u>-</u>	<u>(450,976)</u>	<u>(450,976)</u>
Balance, June 30, 2020	<u>\$ -</u>	<u>\$ 16,028,423</u>	<u>\$ 16,028,423</u>

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</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>6,733,488</u>	<u>7,840,061</u>
	16,028,423	17,134,996
Other net assets purpose restricted		
Cardiopulmonary medical institutions or programs	2,000,874	2,193,292
Culture of health leadership program	3,650	46,003
Diabetes prevention program	<u>-</u>	<u>12,420</u>
	<u>2,004,524</u>	<u>2,251,715</u>
	<u>\$ 18,032,947</u>	<u>\$ 19,386,711</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>2020</u>	<u>2019</u>
Program specific grants and sponsorships	\$ 777,743	\$ 724,353
Community grants	1,207,161	586,085
Medical assistance grants	380,816	457,621
Affiliates/trustee/employee match	<u>54,208</u>	<u>52,856</u>
	<u>\$ 2,419,928</u>	<u>\$ 1,820,915</u>

As of June 30, 2020 and 2019, \$342,748 and \$515,743, 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, 2020 and 2019

NOTE 10 COMMITMENTS AND CONTINGENCIES

Vitalyst leases office space and various equipment under operating leases, which expire through October 2024. 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>	
2021	\$ 248,800
2022	245,600
2023	163,900
2024	700
2025	200
	<hr/>
	\$ 659,200

Total operating lease expense for the years ended June 30, 2020 and 2019 was approximately \$238,000 and \$235,000, respectively.

NOTE 11 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, 2020 and 2019 were \$123,596 and \$111,312, respectively.

VITALYST HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 12 CONTINGENCY

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on Vitalyst’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, Vitalyst is not able to estimate the effect of the COVID-19 outbreak on its results of operations, financial conditions or liquidity for fiscal year 2021.

SUPPLEMENTARY INFORMATION

VITALYST HEALTH FOUNDATION
SCHEDULE OF NET ASSETS INFORMATION
Year Ended June 30, 2020

	Balance June 30, 2019	Contributions	Investment Income	Other Income	Grants	Other Direct Expenses	Indirect Expenses	Support Expenses	Net Assets Released	Balance June 30, 2020
Without donor restrictions:										
Vitalyst General Funds	\$ 99,619,361	\$ 27,500	\$ (5,144,956)	\$ 161,586	\$ (2,366,928)	\$ (1,382,869)	\$ (1,470,147)	\$ (560,132)	\$ 593,222	\$ 89,476,637
Vision	-	52,485	-	-	-	-	-	-	-	52,485
Barrow Endowment	3,677,524	-	(228,483)	-	-	-	-	(49,779)	-	3,399,262
Murphy	1,442,600	-	(97,067)	-	-	-	-	(21,148)	-	1,324,385
Board of Visitors	1,032,406	-	(52,365)	-	(53,000)	-	-	(11,826)	-	915,215
Total net assets without donor restrictions	105,771,891	79,985	(5,522,871)	161,586	(2,419,928)	(1,382,869)	(1,470,147)	(642,885)	593,222	95,167,984
With donor restrictions:										
Purpose restricted										
RWJF	46,003	-	-	-	-	-	-	-	(42,353)	3,650
BCBS	12,420	(7,182)	-	-	-	-	-	-	(5,238)	-
Barrow Heart/Lung	2,193,292	-	(97,763)	-	-	-	-	-	(94,655)	2,000,874
Endowment funds										
Theisen	482,755	-	(21,097)	-	-	-	-	-	(21,644)	440,014
Hon Kachina Council	134,704	-	(6,061)	-	-	-	-	-	(1,321)	127,322
Williams	709,792	-	(31,939)	-	-	-	-	-	(6,958)	670,895
Waddell	1,558,139	-	(70,112)	-	-	-	-	-	(15,275)	1,472,752
Felton Hearing	6,355,942	-	(282,129)	-	-	-	-	-	(184,047)	5,889,766
Felton Vision	5,574,947	-	(244,259)	-	-	-	-	-	(221,731)	5,108,957
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	19,386,711	(7,182)	(753,360)	-	-	-	-	-	(593,222)	18,032,947
Grand totals	\$ 125,158,602	\$ 72,803	\$ (6,276,231)	\$ 161,586	\$ (2,419,928)	\$ (1,382,869)	\$ (1,470,147)	\$ (642,885)	\$ -	\$ 113,200,931

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