



Consolidated Financial Statements
For the Year Ended December 31, 2015

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Independent Auditor's Report

Board of Trustees of Seattle Foundation Seattle, Washington

We have audited the accompanying consolidated financial statements of Seattle Foundation (the Foundation), which comprise the consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's Responsibility

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



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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2015, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2014 consolidated financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities 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 audit 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 consolidated financial statements as a whole.



Certified Public Accountants
May 16, 2016

SEATTLE FOUNDATION

**Consolidated Statement of Financial Position
December 31, 2015
(With Comparative Totals for 2014)**

	<u>2015</u>	<u>2014</u>
Assets:		
Cash and cash equivalents	\$ 6,795,106	\$ 6,974,209
Accounts and other receivables	247,399	213,755
Pledges receivable and other assets, net	3,646,424	1,498,112
Bequests receivable	992,520	1,638,436
Beneficial interests held in trust	26,204,496	25,531,160
Investments	765,809,065	773,746,731
Real estate held for sale	2,178,000	
Mission related investments	7,649,594	6,699,453
Fixed assets, net of accumulated depreciation	<u>829,797</u>	<u>499,066</u>
Total Assets	<u>\$ 814,352,401</u>	<u>\$ 816,800,922</u>
Liabilities and Net Assets		
Liabilities:		
Unconditional grants payable	\$ 2,306,121	\$ 3,498,962
Other liabilities	666,982	603,235
Funds held for others	49,017,027	51,278,195
Liability for life estate	602,753	
Liability for charitable lead and remainder trusts	23,939,409	23,459,835
Liability for charitable gift annuities	<u>2,938,537</u>	<u>3,060,372</u>
Total Liabilities	79,470,829	81,900,599
Net Assets:		
Unrestricted-		
Community / area of interest	92,491,980	92,309,502
Donor advised	322,567,646	319,499,752
Designated	206,816,014	216,373,830
Supporting organizations	56,856,088	50,132,604
Administrative	<u>8,083,214</u>	<u>7,685,007</u>
Total unrestricted	686,814,942	686,000,695
Temporarily restricted	36,666,407	36,978,845
Permanently restricted - perpetual trusts	<u>11,400,223</u>	<u>11,920,783</u>
Total Net Assets	<u>734,881,572</u>	<u>734,900,323</u>
Total Liabilities and Net Assets	<u>\$ 814,352,401</u>	<u>\$ 816,800,922</u>

See accompanying notes.

SEATTLE FOUNDATION

Consolidated Statement of Activities
December 31, 2015
(With Comparative Totals for 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total	2014 Total
Revenues and Support:					
Contributions and agency funds-					
Community / area of interest	\$ 6,794,890	\$ 4,121,668	\$ -	\$ 10,916,558	\$ 5,869,916
Donor advised	71,447,111	1,148,678		72,595,789	60,458,357
Designated	1,718,276			1,718,276	3,881,963
Charitable trusts and beneficial interests					62,805
Supporting organizations	12,889,998			12,889,998	3,172,566
Agency	797,041			797,041	1,302,790
Administrative	251,696			251,696	363,424
GiveBIG	14,353,030			14,353,030	12,884,033
	108,252,042	5,270,346		113,522,388	87,995,854
Less agency	(797,041)			(797,041)	(1,302,790)
Less GiveBIG	(14,353,030)			(14,353,030)	(12,884,033)
Total contributions	93,101,971	5,270,346		98,372,317	73,809,031
Dividend and interest income	11,958,013			11,958,013	13,569,277
(Losses) gains on investments, net	(14,321,478)			(14,321,478)	16,560,931
Change in value of charitable gift annuities and trusts	(497,831)	734,659	(520,560)	(283,732)	2,401,839
Other income	387,281			387,281	404,357
Net assets released from restriction	6,317,443	(6,317,443)			
Total Revenues and Support	96,945,399	(312,438)	(520,560)	96,112,401	106,745,435
Expenses:					
Grants-					
Community / area of interest	8,372,791			8,372,791	5,651,766
Donor advised	61,101,578			61,101,578	61,194,793
Designated	8,844,175			8,844,175	11,083,936
Supporting organizations	5,041,805			5,041,805	6,138,640
Agency	2,382,401			2,382,401	2,144,932
	85,742,750			85,742,750	86,214,067
Less agency	(2,382,401)			(2,382,401)	(2,144,932)
Total grants expense	83,360,349			83,360,349	84,069,135
Investment management and trustee fees	2,927,524			2,927,524	2,929,096
Support expenses	9,843,279			9,843,279	8,888,637
Total Expenses	96,131,152			96,131,152	95,886,868
Change in Net Assets	814,247	(312,438)	(520,560)	(18,751)	10,858,567
Net assets, beginning of year	686,000,695	36,978,845	11,920,783	734,900,323	724,041,756
Net Assets, End of Year	\$ 686,814,942	\$ 36,666,407	\$ 11,400,223	\$ 734,881,572	\$ 734,900,323

See accompanying notes.

SEATTLE FOUNDATION

**Consolidated Statement of Cash Flows
For the Year Ended December 31, 2015
(With Comparative Totals for 2014)**

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (18,751)	\$ 10,858,567
Adjustments to reconcile change in net assets to net cash used in operating activities-		
Noncash items included in change in net assets:		
Depreciation	400,756	412,796
Change in present value adjustment of pledges receivable	42,174	(40,183)
Net loss (gain) on investments	14,321,478	(16,560,931)
Net contributions shown as financing activities		(250,935)
Noncash contribution of interest in LLC	(11,575,875)	
Noncash contributions of real estate held for sale	(2,178,000)	
Net loss (gain) on charitable gift annuities and trusts	599,329	(5,323,713)
Noncash change in value of beneficial interest assets	(673,336)	869,516
Noncash change in liability for annuities and trusts	357,739	2,052,358
Change in operating accounts:		
Mission related investments	(950,141)	(213,002)
Accounts receivable and other assets	(33,644)	(45,728)
Pledges receivable	(2,190,486)	1,240,000
Bequests receivable	645,916	3,501,577
Funds held for others	(2,261,168)	2,833,771
Unconditional grants payable	(1,192,841)	(1,827,305)
Other liabilities	666,500	7,760
Net Cash Used in Operating Activities	(4,040,350)	(2,485,452)
Cash Flows From Investing Activities:		
Purchase of fixed assets	(731,487)	
Purchase of investments	(342,768,369)	(331,592,934)
Proceeds from sale of investments	345,802,428	332,426,306
Net Cash Provided by Investing Activities	2,302,572	833,372
Cash Flows From Financing Activities:		
Funds received from charitable gift annuities and trusts		250,935
Payments made from charitable gift annuities and trusts	1,558,675	2,761,140
Net Cash Provided by Financing Activities	1,558,675	3,012,075
Net Change in Cash and Cash Equivalents	(179,103)	1,359,995
Cash and cash equivalents, beginning of year	6,974,209	5,614,214
Cash and Cash Equivalents, End of Year	\$ 6,795,106	\$ 6,974,209
Supplementary Information:		
Noncash contributions of investments	\$ 11,575,875	\$ -
Noncash contributions of real estate held for sale	\$ 2,178,000	\$ -

See accompanying notes.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 1 - Description of Organization and Significant Accounting Policies

Organization - Seattle Foundation's (the Foundation) mission is to ignite powerful and rewarding philanthropy to make King County a stronger, more vibrant community for all. The Foundation is a public charity and is incorporated under the laws of the State of Washington. It is authorized to accept gifts, bequests, contributions and grants of property to carry out its organizational purpose. The Foundation generally does not administer programs of its own; instead, it grants funds to a variety of charitable and nonprofit organizations to support their respective programs.

Financial Statement Presentation - The Foundation has an economic interest in and control over certain supporting organizations, as defined under Section 509(a)(3) of the Internal Revenue Code. The consolidated financial statements include the accounts of the Foundation and the supporting organizations (collectively referred to as the Foundation). All of the financial activities and balances of these organizations are included in the consolidated financial statements. All significant inter-organization accounts and transactions have been eliminated. In 2015, the supporting organizations consisted of the following nonprofit corporations:

Brotman Foundation	Seattle International Foundation
Dabney Point Fund	TSF Properties
Luino and Margaret Dell'Osso Family Foundation	TSF Services
Dillon Family Foundation	Walker Family Foundation
Glenhome Trust	Whitehorse Foundation
George P. Hardgrove Foundation	

The Foundation's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Foundation presents its net assets, revenues, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets on which there are no donor-imposed restrictions for use or on which donor-imposed restrictions have expired.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation or the passage of time. Items that affect this net asset category are gifts for which a time restriction has not been met, and income that is not yet available for use as designated by the donor. Temporarily restricted net assets include charitable remainder trusts, charitable lead trusts, pledges, and bequests which will be collected in a future year.

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions to be maintained permanently by the Foundation. Permanently restricted net assets consist of perpetual trusts.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restriction.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 1 - Continued

Grants - Community, area of interest, agency and designated grants are approved by the Board of Trustees of the Foundation in accordance with the Foundation's bylaws and operating guidelines. The Board has delegated authority to certain Foundation senior staff members to approve donor advised fund grant recommendations that are consistent with the Foundation's charitable purposes and policies. Grants are approved by the Board of Trustees of the Foundation or supporting organizations in accordance with their respective bylaws and guidelines. Unconditional grants and distributions are recorded in the consolidated financial statements when approved and communicated to the grantee. Grants approved by the Board of Trustees that are payable upon the performance of specified conditions by the grantee are not reflected in grants payable in the consolidated financial statements until such time as those conditions are satisfied.

Use of Estimates - The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements - U.S. GAAP establishes a framework for measuring fair value and requires certain disclosures. To increase consistency and comparability in fair value measurements, fair value is required to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants.

U.S. GAAP utilizes a three-level valuation hierarchy based on observable and unobservable inputs. Observable inputs consist of data obtained from independent sources. Unobservable inputs reflect market assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

Financial assets and liabilities classified as Level 1 have fair values based on unadjusted quoted market prices for identical instruments in active markets. Financial assets and liabilities classified as Level 2 have fair values based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, and model-derived valuations whose inputs are observable. Financial assets and liabilities classified as Level 3 have fair values based on value drivers that are unobservable.

While this requirement applies to all financial assets recorded on a recurring basis, it primarily applies to the securities held in the Foundation's investment portfolio and certain liabilities.

Fair Value of Financial Instruments - Financial instruments reported at fair value on a recurring basis include investments and funds held for others. Financial instruments not reported at fair value on a recurring basis include receivables, mission related investments, payables and liabilities under charitable remainder trusts and charitable gift annuities. The carrying amounts of these financial instruments approximate fair value.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash in bank accounts and highly liquid investments with maturities of three months or less at date of acquisition. Cash and cash equivalents on deposit with brokers or in investment pools are considered to be investments.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 1 - Continued

Pledges Receivable - Pledges receivable (unconditional promises to give) are stated at the amount management expects to receive. Management provides an allowance for probable uncollectible pledges through a charge to contribution revenue and a credit to the allowance account based on its assessment of each pledge. Pledges that are deemed uncollectible are written off through a charge to the allowance and a credit to pledges receivable.

Pledges are recognized as revenues in the period the pledge is received. Pledges receivable over periods in excess of one year are recorded at present value. Amortization of discounts is included in contribution revenue.

Funds Held for Others - U.S. GAAP establishes standards for transactions in which a not-for-profit organization accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. Specifically, when a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself or its affiliate as the beneficiary of that designated fund, the community foundation must account for the transfer of such assets as if it is holding the funds as an agent of the donor. Accordingly, the funds are included in the Foundation's assets with an offsetting liability. The liability shown on the consolidated statement of financial position has been established at the fair value of funds estimated by the Foundation. Activities related to these funds held for others do not affect the change in net assets on the consolidated statement of activities. These funds are considered agency funds as described in Note 2.

Investments - Investments in debt securities and equity securities with readily determinable market values are recorded at fair value. Investments in securities traded on organized securities exchanges are valued at the closing price on the last business day of the fiscal year; securities traded on the over-the-counter markets are valued at the last reported bid price. Real estate investments are recorded at fair value determined by periodic appraisals which are obtained as deemed necessary based upon economic conditions and management's discretion with the assistance of third-party investment managers. The fair value of other investments, principally investments in hedge funds and private equities, for which quoted market prices are not available, are determined by management with the assistance of third-party investment managers using methods it considers appropriate. Securities are generally held in custodial investment accounts administered by certain financial institutions.

Investments are made according to the Investment Objectives and Policies adopted by the Foundation's and supporting organizations' Boards of Trustees. These guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. Outside parties are contracted with by the Foundation for the purpose of providing investment management and consulting.

Investment securities, in general, are exposed to various risks, including interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably probable that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Mission Related Investments - The Foundation has made loans, loan guaranties, and equity investments for program purposes. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on the principal outstanding. Management has reviewed the collectability of the notes receivable and equity investments and has determined an allowance for impairment is not necessary as of December 31, 2015 and 2014.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 1 - Continued

Concentration of Credit Risk - Investments in cash, mutual funds, and investments held in banks generally exceeded the available federally insured amounts.

Approximately 22% of contributions was from two donors for the year ended December 31, 2015 and 12% of contributions was from a single donor for the year ended December 31, 2014. Approximately 96% of pledges receivable was from four donors at December 31, 2015 and 92% of pledges receivable was from a single donor at December 31, 2014.

Capitalization and Depreciation - The Foundation capitalizes assets with a cost greater than \$5,000 and an estimated useful life of more than one year. Purchased fixed assets are recorded at cost and donated fixed assets are recorded at fair value on the date received. Software development costs incurred to create a website and intangibles consisting of rebranding costs are capitalized.

Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives of the related assets as follows:

Technology, equipment, and software	3 - 5 years
Leasehold improvements	12 years
Furniture and fixtures	3 - 10 years
Intangibles	5 - 10 years

Income Taxes - The Foundation and its supporting organizations qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. The Foundation is further classified as an organization that is not a private foundation as defined in Section 509(a) of the Code. The Foundation is subject to federal income tax only on "unrelated business taxable income" as defined in Section 512 of the Internal Revenue Code.

In-Kind Contributions - Each year, volunteers give their time and expertise to the Foundation in a wide variety of areas including grants, audit, investment, finance and other activities. These contributions, despite their considerable value to the mission of the Foundation, are not reflected in the consolidated financial statements.

Comparative Amounts for 2014 - The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's consolidated financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Financial Statement Reclassifications - Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassification have no effect on the change in net assets or net asset balances as previously reported.

Subsequent Events - The Foundation has evaluated subsequent events through May 16, 2016, the date on which the consolidated financial statements were available to be issued.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 2 - Contributions, Donations, Gifts and Bequests

The Foundation's corporate bylaws and contribution documents grant the Foundation "variance power" that in effect gives the Foundation control over all grant disbursements. Consequently, all contributions are classified as unrestricted if they are available to the Foundation with no restriction as to when the funds are available for expenditure.

Donations, gifts and bequests are recorded as contributions to the appropriate program funds at fair value. These contributions are maintained in the funds until expended as grants, in accordance with the Board of Trustees' authorization. In order to fund operations of the Foundation, a designated percentage of fund assets are transferred to the administrative fund. In addition, a donor may choose to provide direct support to the administrative fund.

A description of each of the Foundation's funds is as follows:

Community - Funds for which donors have neither imposed any restrictions nor reserved any rights to make recommendations regarding distributions. Distributions from these funds are made at the discretion of the Board based on identified community needs.

Area of Interest - Funds designated by donors for use in specific fields of interest or specific geographic areas within the State of Washington.

Donor Advised - Funds for which donors have reserved the right to make nonbinding suggestions to the Board regarding grant distributions and conditions related to the grants.

Designated - Funds designated by the donors for support of specific charitable organizations.

Administrative - Funds which are used to pay the operating costs of the Foundation.

Agency - Funds received under the terms of agreements with certain qualified not-for-profit organizations that specify themselves as the ultimate beneficiary for the funds. Even though these funds are classified as agency funds (funds held for others), the Foundation maintains legal variance power over these assets.

Assets held in charitable gift annuities and charitable trusts are recorded as follows:

Charitable Gift Annuities - Under its Charitable Gift Annuity (CGA) program, the Foundation has received contributions from donors pursuant to written agreements that stipulate periodic payments will be made to specified beneficiaries. Upon the death of the beneficiaries, the related periodic payments cease and the related remaining funds, decreased by payments to other beneficiaries if stipulated, become available for use by the Foundation.

The present value of the periodic payments is actuarially determined at year-end based on mortality and discount rate assumptions that meet or exceed those set forth under Washington state law as applicable to issues of charitable gift annuities. It is expected that the investment earnings and a portion of the original contributions will be distributed; however, if for some reason principal is depleted, the Foundation is responsible for continuing the periodic payments.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 2 - Continued

Upon receipt of a CGA contribution, the Foundation records the fair value of the assets received and the net present value of the actuarially determined liability. The portion of the actuarially determined residuum payable to the Foundation is recorded as a contribution.

Investment income and changes in the estimated liability are recognized in the consolidated statement of activities. As of December 31, 2015, the Foundation had 58 active CGAs. Underlying investments were valued at \$4,048,667 and \$4,589,231 at December 31, 2015 and 2014, respectively. The corresponding liability for payments to other beneficiaries was determined to be \$2,938,537 and \$3,060,372 at December 31, 2015 and 2014, respectively. The Foundation maintains assets equal to the sum of reserves on outstanding agreements and a surplus of ten percent of such reserves, in accordance with Washington state law.

Charitable Remainder Trusts - Under the Foundation's Charitable Remainder Trust (CRT) program, a donor establishes and funds a trust with specified distributions to be made to the donor and/or other beneficiaries over the trust's term. The Foundation will receive the amounts remaining in a CRT at the end of the trust's stated term.

Charitable Lead Trusts - Under the Foundation's Charitable Lead Trust (CLT) program, a donor establishes and funds a trust with specified distributions to be made to the Foundation. At the termination of the trust, the amount remaining in the CLT reverts to the donor and/or other beneficiaries.

Upon formation of an irrevocable CRT or CLT when the Foundation is the trustee, the fair value of the assets received and the net present value of the Foundation's actuarially determined charitable interest is recorded as contribution revenue by the Foundation. The difference is recorded as a liability. Subsequently, changes in the fair value of the assets and changes in the estimated liability are recognized in the consolidated statement of activities. Included in investments at December 31, 2015, are CRTs and CLTs with a fair value of \$42,201,462 and a corresponding liability of \$23,939,409. Included in investments at December 31, 2014, are CRTs and CLTs with a fair value of \$44,785,149 and a corresponding liability of \$23,459,835.

When the Foundation has irrevocable rights to a CRT or CLT, but the Foundation is not the trustee and does not hold the assets, the Foundation's interest in the trust assets and specified future distributions is recorded as a beneficial interest held in trust, using actuarial assumptions. The change in value of the Foundation's beneficial interest during the year is recorded as a component of change in value of charitable gift annuities and trusts. At December 31, 2015, beneficial interests in CRTs and CLTs totaled \$9,295,636 and \$4,469,773, respectively. At December 31, 2014, beneficial interests in CRTs and CLTs totaled \$8,019,600 and \$4,497,380, respectively.

Perpetual Trusts - The Foundation is a named income beneficiary on various perpetual trusts for which the Foundation does not serve as trustee. Under these arrangements, the Foundation is to receive all income earned on its share of the underlying assets held in perpetuity. Accordingly, contribution revenue and the related asset are recognized at fair value in the period in which the Foundation receives notice that the trust agreement conveys an unconditional, irrevocable right to receive benefits. Subsequent changes in the value of the underlying assets have been recorded in the accompanying consolidated statement of activities as a component of change in value of charitable gift annuities and trusts. At December 31, 2015 and 2014, beneficial interests in perpetual trusts totaled \$12,439,087 and \$13,014,180, respectively. Included in these amounts is a perpetual trust held for others which totaled \$1,038,864 and \$1,093,397 at December 31, 2015 and 2014, respectively.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2015

Note 2 - Continued

The assets held in charitable gift annuities and charitable trusts, for which the Foundation is the trustee, are recorded at fair value using the same valuation method as the Foundation's investments. Beneficial interest held in trusts, for which the Foundation is not the trustee, is based on estimates provided by third party trustees.

Bequests are recorded as contribution revenue when the Foundation is notified of its beneficiary status, the bequest becomes irrevocable, and the Foundation's interest can be estimated. If the value of the Foundation's interest cannot be estimated, contribution revenue is recognized when distributions are received.

Note 3 - Investments

Fair values of the Foundation's assets and liabilities measured on a recurring basis, are as follows:

	Fair Value Measurements at December 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash	\$ 45,498,742	\$ -	\$ -	\$ 45,498,742
Domestic equities	228,616,949	4,542,301		233,159,250
International equities	53,937,764	98,503,181		152,440,945
Domestic fixed income		104,555,505		104,555,505
International fixed income		25,190,845		25,190,845
Real estate			2,487,629	2,487,629
Real estate funds		10,212,888	18,784,938	28,997,826
Real return funds	6,497,146	15,463,848	6,052,712	28,013,706
Hedged strategies		91,996,502		91,996,502
Private equity			54,686,235	54,686,235
Other assets			959,880	959,880
Total Investments	334,550,601	350,465,070	82,971,394	767,987,065
Beneficial interests held in trust			26,204,496	26,204,496
Total Financial Assets	\$ 334,550,601	\$ 350,465,070	\$ 109,175,890	\$ 794,191,561
Funds held for others	\$ -	\$ -	\$ 49,017,027	\$ 49,017,027
Total Financial Liabilities	\$ -	\$ -	\$ 49,017,027	\$ 49,017,027

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2015

Note 3 - Continued

	Fair Value Measurements at December 31, 2014			
	Level 1	Level 2	Level 3	Total
Cash	\$ 34,713,970	\$ -	\$ -	\$ 34,713,970
Domestic equities	227,077,629			227,077,629
International equities	81,171,345	83,279,292		164,450,637
Domestic fixed income		125,013,352		125,013,352
International fixed income		26,433,530		26,433,530
Real estate			256,993	256,993
Real estate funds		11,909,845	22,299,376	34,209,221
Real return funds	5,982,335	18,822,700	6,318,095	31,123,130
Hedged strategies		86,248,003		86,248,003
Private equity			43,241,389	43,241,389
Other assets			978,877	978,877
Total Investments	348,945,279	351,706,722	73,094,730	773,746,731
Beneficial interests held in trust			25,531,160	25,531,160
Total Financial Assets	\$ 348,945,279	\$ 351,706,722	\$ 98,625,890	\$ 799,277,891
Funds held for others	\$ -	\$ -	\$ 51,278,195	\$ 51,278,195
Total Financial Liabilities	\$ -	\$ -	\$ 51,278,195	\$ 51,278,195

A reconciliation of the beginning and ending balances, by each major category of assets and liabilities, for fair value measurements made using significant unobservable inputs (Level 3) is as follows:

	Fair Value Measurements at December 31				
	Investments	Beneficial Interests Held in Trust	Funds Held for Others	2015 Total Level 3	2014 Total Level 3
Beginning balance	\$ 73,094,730	\$ 25,531,160	\$ (51,278,195)	\$ 47,347,695	\$ 53,968,777
Total gains - realized and unrealized	5,849,932	1,030,613	936,217	7,816,762	8,041,866
Interest and dividends, net of fees	(399,834)		(253,448)	(653,282)	(1,689,780)
Purchases and receipts	19,274,283		(916,727)	18,357,556	(3,685,818)
Sales and distributions	(14,847,717)	(357,277)	2,495,126	(12,709,868)	(9,287,350)
Ending Balance	\$ 82,971,394	\$ 26,204,496	\$ (49,017,027)	\$ 60,158,863	\$ 47,347,695

The Foundation modified classifications within the fair value hierarchy for several of its investments at December 31, 2015. The information at December 31, 2014 has been updated to conform to the 2015 presentation. There was no change to the valuation of the total investment portfolio.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 3 - Continued

The table below summarizes significant terms of the agreements with certain investment companies. There are no significant redemption restrictions or unfunded commitments on other types of investments. Subsequent to year-end, a commitment for an investment of \$10.4 million in a hedged strategy investment was approved.

Asset Class	Fair Value	Remaining Life	Unfunded Commitments	Redemption Terms	Redemption Restrictions
Hedged Strategies	\$92.0M	No limit	None	Redemption terms are quarterly with notification periods ranging from 45 to 95 days.	Lockup provisions range from none to 27 months.
Private Equity	\$54.7M	Ranging from 1 to 12 years	\$9.8M	Closed end funds not eligible for redemption.	Not redeemable.
Real Estate (Closed End Funds)	\$18.5M	Closed end funds range from 1 to 11 years	\$17.7M	Closed end funds not eligible for redemption.	Not redeemable.
Real Estate (REITs)	\$10.2M	No specified lifespan	None	REITS provide for redemptions quarterly with 45 days' notice.	No restrictions.
Real Return Funds	\$6.1M	Ranging from 7 to 13 years	\$15.6M	Closed end funds not eligible for redemption.	Not redeemable.
Domestic Equity	\$4.5M	No limit	None	First redemption window is 06/30/20	Lockup provision for 54 months.
Other Assets	\$1.0M	No limit	None	Closely held interests not eligible for redemption.	Not redeemable.

Hedged Strategies - Managers in this category strictly utilize long/short equity strategies in pursuit of investment returns. Investments may be made directly to the managers' funds or to a fund of funds vehicle.

Private Equity - Includes closed end fund of funds that make direct investments in venture capital and buy-out managers. The funds have a predetermined lifespan and redemptions during the life of the fund are not allowed.

Real Estate (Closed End Funds) - Closed end funds have predetermined lifespans and redemptions during the life of the funds are not allowed.

Real Estate (REITs) - The REITs allow for quarterly redemption requests, subject to approval by the REIT management.

Real Return Funds - Includes investments in commingled trusts that, in turn, provide exposure to Treasury Inflation Protected Securities (TIPS), commodities, natural resources and other inflation hedging strategies.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 3 - Continued

Domestic Equity - Includes a fund that invests in public equity markets and follows a value-driven strategy.

Other Assets - Includes closely held stock, life insurance annuities and life insurance cash values.

The Foundation has various sources of liquidity at its disposal, including cash, cash equivalents, marketable debt securities and marketable equity securities. Had it been necessary to generate liquid funds to meet short-term needs on December 31, 2015, management estimates that it could have liquidated approximately \$521 million.

Note 4 - Pledges Receivable

Pledges receivable are expected to be received as follows at December 31:

	<u>2015</u>	<u>2014</u>
Due within one year	\$ 2,110,000	\$ 818,500
Due within two to five years	<u>1,598,986</u>	<u>700,000</u>
	3,708,986	1,518,500
Less discount to present value (3%)	<u>(62,562)</u>	<u>(20,388)</u>
Pledges Receivable, net	<u>\$ 3,646,424</u>	<u>\$ 1,498,112</u>

Note 5 - Fixed Assets

Fixed assets consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Technology, equipment and software	\$ 3,435,917	\$ 3,154,508
Leasehold improvements	330,354	330,354
Furniture and fixtures	312,108	348,978
Fixed assets in progress	123,180	
Intangible assets	<u>196,262</u>	<u></u>
	4,397,821	3,833,840
Less accumulated depreciation	<u>(3,568,024)</u>	<u>(3,334,774)</u>
Fixed Assets, net	<u>\$ 829,797</u>	<u>\$ 499,066</u>

Depreciation expense totaled \$400,756 and \$412,796 for the years ended December 31, 2015 and 2014, respectively.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 6 - Unconditional Grants Payable

Unconditional grants payable are scheduled to be disbursed as follows at December 31:

	<u>2015</u>	<u>2014</u>
Due within one year	\$ 1,473,338	\$ 1,929,617
Due within two to five years	767,918	1,477,689
Thereafter	<u>64,865</u>	<u>91,656</u>
Total Unconditional Grants Payable	<u>\$ 2,306,121</u>	<u>\$ 3,498,962</u>

The discount for present value was immaterial at December 31, 2015 and 2014.

Note 7 - Revolving Line of Credit Agreement

The Foundation entered into a line of credit agreement on November 10, 2014, which provides for borrowings of up to \$10,000,000 and bears interest equal to the LIBOR rate plus 0.90%; however, in no event can the interest rate charged exceed the highest rate permitted by applicable state or federal law or be less than 0.90% per annum. The covenants require the Foundation to maintain collateral of at least \$50,000,000 in assets at an account established with the creditor. The credit agreement also contains various other customary restrictive covenants. The Foundation has complied with all covenants and there was no outstanding balance owed on the line at December 31, 2015 or December 31, 2014.

A prior line of credit established by the Foundation expired on August 31, 2014. The line of credit provided for borrowings of up to \$10,000,000 and bore interest, at the option of the Foundation, of either: (1) the Prime Rate, or (2) LIBOR plus 1.75%. The Foundation incurred an annual commitment fee for the line of credit equal to 0.15%. The credit agreement contained various customary restrictive covenants. The Foundation complied with all covenants at August 31, 2014. There was no outstanding balance owed on the line at August 31, 2014.

Note 8 - GiveBIG

The Foundation's annual GiveBIG campaign, which began in 2011, is an online giving event designed to raise money for nonprofit organizations in Greater Seattle. Each qualified contribution is increased proportionally by a pool of stretch funds provided by both the Foundation and GiveBIG sponsors.

GiveBIG contributions are made online to more than 1,600 nonprofit organizations representing a broad range of issues. Donors contribute through a secure third-party service provider, and the contributions are forwarded directly to the nonprofit organizations. The Foundation does not collect personal or payment information from any GiveBIG donor. In order for the nonprofit organizations to receive maximum benefit, no fees are charged by the Foundation.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 8 - Continued

Contributions and other information related to GiveBIG consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Online contributions	\$ 14,353,030	\$ 12,884,033
Stretch pool	<u>1,075,594</u>	<u>1,031,045</u>
Total GiveBIG Contributions	<u>\$ 15,428,624</u>	<u>\$ 13,915,078</u>
Number of donors	39,039	33,671
Number of gifts	76,222	64,269
Number of nonprofit recipient organizations	1,543	1,471

Note 9 - Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for future periods. They consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Charitable remainder and lead trusts	\$ 32,027,463	\$ 33,842,297
Pledges receivable	3,646,424	1,498,112
Bequests receivable	<u>992,520</u>	<u>1,638,436</u>
Total Temporarily Restricted Net Assets	<u>\$ 36,666,407</u>	<u>\$ 36,978,845</u>

Note 10 - Endowments

The Foundation's endowments consist of funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments (quasi-endowments). Net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. However, because of the Foundation's variance power as described in Note 2, all endowments are classified as unrestricted.

Interpretation of Relevant Law - The Prudent Management of Institutional Funds Act (PMIFA) was enacted by Washington state in July 2009. Early application was allowed, and in June 2009 the Board elected immediate application of PMIFA to all the Foundation's endowment funds. PMIFA eliminates the historic dollar value threshold, an amount below which an organization could not spend from the fund, and establishes a set of prudent management and investment standards for boards to follow when managing endowment funds. Under PMIFA, the Foundation may spend as much of an endowment fund as it considers prudent, regardless of whether the fund is below its historic dollar value. The donor's intent that the fund be perpetual in nature must still be considered and the fund managed accordingly. The Foundation's organizing documents set forth the power to modify any restrictions or conditions on distributions from funds if, in the Foundation's judgment, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area being served. As a result of this variance power, the Foundation classifies as unrestricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2015

Note 10 - Continued

Endowment net assets consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Donor-restricted endowment funds	\$ 101,497,008	\$ 100,167,299
Board designated quasi- endowment funds	<u>199,823,500</u>	<u>205,508,415</u>
Endowment Net Assets	<u>\$ 301,320,508</u>	<u>\$ 305,675,714</u>

Changes to endowment net assets are as follows for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Endowment net assets, beginning of year	\$ 305,675,714	\$ 300,766,937
Endowment investment return- Interest and dividends, net of fees	5,189,770	5,853,665
Total net (losses) gains	<u>(6,213,541)</u>	<u>8,998,227</u>
Total investment (losses) returns	(1,023,771)	14,851,892
Contributions	7,051,025	4,216,960
Net transfer from endowments	<u>(10,382,460)</u>	<u>(14,160,075)</u>
Endowment Net Assets, End of Year	<u>\$ 301,320,508</u>	<u>\$ 305,675,714</u>

Funds With Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the total amount of the gifts made to the endowment by the donor. Deficiencies of this nature that are reported in unrestricted net assets were \$398,645 and \$583,274 at December 31, 2015 and 2014, respectively. These deficiencies resulted from unfavorable market fluctuations in prior years.

Return Objectives and Risk Parameters - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation has been instructed to hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that, over time, will provide a real rate of return equal to the spending rate while assuming a reasonable level of investment risk. The Foundation expects its endowment funds, over time, to provide an average real rate of return of approximately 4.5 percent annually. Currently, the expected nominal rate of return is approximately 7 percent. Actual returns in any given year may vary from these amounts.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 10 - Continued

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Foundation has a general policy of appropriating for distribution each year 4.5 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at a rate equal to inflation. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity.

Note 11 - Support Expenses

The detail of support expenses is as follows for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Administrative fund	\$ 7,583,914	\$ 6,462,904
Program and support services for other funds	2,250,207	2,289,744
Change in allowance for loss from uncollectible amounts	9,158	135,989
Total Support Expenses	<u>\$ 9,843,279</u>	<u>\$ 8,888,637</u>

Fundraising expenses were immaterial for the years ended December 31, 2015 and 2014.

Note 12 - Retirement Plans

The Foundation maintains a defined contribution retirement plan that complies with Internal Revenue Code Section 403(b). All regular employees are eligible to participate in the retirement plan immediately upon commencing employment. Although employee contributions can be made to the plan immediately, an employee is not eligible to receive matching contributions from the Foundation until completion of the orientation period, which is currently 90 days.

The Foundation matches employee contributions based on years of service as follows:

<u>Years of Service</u>	<u>Matching Percentage</u>
0 - 4 years	5.0%
5 - 9 years	7.5%
10 or more	10.0%

Total matching expense was \$220,567 and \$198,413 for the years ended December 31, 2015 and 2014, respectively. All contributions under the plan vest with employees at the time contributions are made.

SEATTLE FOUNDATION

Notes to Consolidated Financial Statements For the Year Ended December 31, 2015

Note 12 - Continued

The Foundation also maintains a nonqualified deferred compensation plan covered under Section 457(b) of the Internal Revenue Code. Only employees specifically designated by the Board of Trustees are eligible. The maximum salary deferral under the 457(b) plan was \$17,500 (plus a catch-up provision of \$5,500 for eligible participants) for the years ended December 31, 2015 and 2014. There are no matching provisions. The nonqualified deferred compensation plan is administered by the Foundation. At December 31, 2015 and 2014, there was one participant in the 457(b) plan. Total assets in the plan were \$61,821 and \$43,919 as of December 31, 2015 and 2014, respectively. Assets in the plan are held by the Foundation on a nontrust basis and are subject to the claims of its creditors.

Note 13 - Leases

Operations of the Foundation are conducted in leased office space in Seattle, Washington. The lease for office space expires in November 2016. The Seattle International Foundation, a supporting organization of the Foundation, also leases office space in Seattle. The lease for this space expires in July 2016. In March 2016, the Foundation signed a lease for new office space beginning in November 2016 and expiring in February 2027.

Rent expense includes the base rent plus a proportionate share of the actual operating costs of the building as specified in the lease agreement. Rent expense was \$357,814 and \$366,052 for the years ended December 31, 2015 and 2014, respectively.

The Foundation also leases copier equipment. Future minimum lease payments under all noncancelable leases for existing office space and equipment are as follows at December 31, 2015:

For the Year Ending December 31,	Office Space	Equipment Leases	Total
2016	\$ 317,278	\$ 12,840	\$ 330,118
2017	592,448	8,604	601,052
2018	728,033	8,604	736,637
2019	745,718	8,604	754,322
2020	763,403	3,585	766,988
Thereafter	5,099,175		5,099,175
Total Lease Payments	\$ 8,246,055	\$ 42,237	\$ 8,288,292

SUPPLEMENTARY INFORMATION

SEATTLE FOUNDATION

**Consolidating Statement of Financial Position
December 31, 2015**

	Seattle Foundation	Supporting Organizations	Eliminations	Consolidated Total
Assets:				
Cash and cash equivalents	\$ 6,176,025	\$ 619,081	\$ -	\$ 6,795,106
Accounts and other receivables	220,794	26,605		247,399
Pledges receivable and other assets, net	3,646,424			3,646,424
Bequests receivable	992,520			992,520
Beneficial interests held in trust	26,204,496			26,204,496
Investments	711,248,952	54,560,113		765,809,065
Real estate held for sale		2,178,000		2,178,000
Mission related investments	6,949,594	700,000		7,649,594
Fixed assets, net of accumulated depreciation	829,797			829,797
Total Assets	<u>\$ 756,268,602</u>	<u>\$ 58,083,799</u>	<u>\$ -</u>	<u>\$ 814,352,401</u>
Liabilities and Net Assets				
Liabilities:				
Unconditional grants payable	\$ 1,833,621	\$ 472,500	\$ -	\$ 2,306,121
Other liabilities	514,524	152,458		666,982
Funds held for others	49,017,027			49,017,027
Liability for life estate		602,753		602,753
Liability for charitable lead and remainder trusts	23,939,409			23,939,409
Liability for charitable gift annuities	2,938,537			2,938,537
Total Liabilities	78,243,118	1,227,711		79,470,829
Net Assets:				
Unrestricted-				
Community / area of interest	92,491,980			92,491,980
Donor advised	322,567,646			322,567,646
Designated	206,816,014			206,816,014
Supporting organizations		56,856,088		56,856,088
Administrative	8,083,214			8,083,214
Total unrestricted	629,958,854	56,856,088		686,814,942
Temporarily restricted	36,666,407			36,666,407
Permanently restricted - perpetual trusts	11,400,223			11,400,223
Total Net Assets	<u>678,025,484</u>	<u>56,856,088</u>		<u>734,881,572</u>
Total Liabilities and Net Assets	<u>\$ 756,268,602</u>	<u>\$ 58,083,799</u>	<u>\$ -</u>	<u>\$ 814,352,401</u>

See independent auditor's report.

SEATTLE FOUNDATION

**Consolidating Statement of Activities
For the Year Ended December 31, 2015**

	Seattle Foundation	Supporting Organizations	Eliminations	Consolidated Total
Unrestricted				
Revenues and Support:				
Contributions and agency funds	\$ 95,493,304	\$ 12,889,988	\$ (131,250)	\$ 108,252,042
Less agency and GiveBIG	<u>(15,150,071)</u>			<u>(15,150,071)</u>
Total contributions	80,343,233	12,889,988	(131,250)	93,101,971
Dividend and interest income	11,134,674	823,339		11,958,013
Gains on investments, net	(14,345,033)	23,555		(14,321,478)
Change in value of charitable gift annuities and trusts	(497,831)			(497,831)
Other income	350,561	816,223	(779,503)	387,281
Net assets released from restriction	<u>6,317,443</u>			<u>6,317,443</u>
Total Revenues and Support	83,303,047	14,553,105	(910,753)	96,945,399
Expenses:				
Grants	78,318,544	5,173,055	(131,250)	83,360,349
Investment management and trustee fees	2,402,021	525,503		2,927,524
Support expenses	<u>8,503,131</u>	<u>2,119,651</u>	<u>(779,503)</u>	<u>9,843,279</u>
Total Expenses	89,223,696	7,818,209	(910,753)	96,131,152
Change in Unrestricted Net Assets	(5,920,649)	6,734,896		814,247
Temporarily Restricted				
Revenues and Support:				
Contributions	5,270,346			5,270,346
Change in value of charitable gift annuities and trusts	734,659			734,659
Net assets released from restriction and transfers	<u>(6,306,031)</u>	<u>(11,412)</u>		<u>(6,317,443)</u>
Change in Temporarily Restricted Net Assets	(301,026)	(11,412)		(312,438)
Permanently Restricted				
Revenues and Support:				
Change in value of charitable gift annuities and trusts	<u>(520,560)</u>			<u>(520,560)</u>
Change in Permanently Restricted Net Assets	(520,560)			(520,560)
Total Change in Net Assets	(6,742,235)	6,723,484		(18,751)
Net assets, beginning of year	<u>684,767,719</u>	<u>50,132,604</u>		<u>734,900,323</u>
Net Assets, End of Year	\$ 678,025,484	\$ 56,856,088	\$ -	\$ 734,881,572

See independent auditor's report.