

**PIKES PEAK COMMUNITY FOUNDATION
AND AFFILIATE**

Consolidated Financial Statements

For the Year Ended December 31, 2017

And

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pikes Peak Community Foundation
Colorado Springs, Colorado

We have audited the accompanying consolidated financial statements of Pikes Peak Community Foundation and Affiliate, a non-profit organization, (collectively, the Foundation), which comprise the consolidated balance sheet as of December 31, 2017 and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pikes Peak Community Foundation and Affiliate as of December 31, 2017, and the changes in their net assets and their 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 Pikes Peak Community Foundation and Affiliate's 2016 consolidated financial statements, and our report dated June 5, 2017 expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Stockman Kast Ryan & Co., LLP

May 18, 2018

PIKES PEAK COMMUNITY FOUNDATION AND AFFILIATE

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2017 (with comparative totals for 2016)

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 3,270,327	\$ 3,706,425
Investments	44,070,454	39,535,311
Property and equipment, net	8,243,468	9,204,509
Land held for investment	4,323,000	4,323,000
Land and water taps held for sale	2,130,996	2,130,996
Building held for sale	937,500	
Water rights	6,003,554	6,003,554
Other assets	<u>80,521</u>	<u>84,107</u>
TOTAL	<u>\$ 69,059,820</u>	<u>\$ 64,987,902</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 173,693	\$ 76,934
Deposit on sale of land	55,000	
Liability associated with a charitable remainder trust	394,002	366,524
Funds held as agency endowments	779,506	487,363
Funds held in trust for others	<u>4,183,595</u>	<u>3,817,010</u>
Total	<u>5,585,796</u>	<u>4,747,831</u>
 NET ASSETS		
Unrestricted	63,338,437	60,125,359
Temporarily restricted	<u>135,587</u>	<u>114,712</u>
Total net assets	<u>63,474,024</u>	<u>60,240,071</u>
TOTAL	<u>\$ 69,059,820</u>	<u>\$ 64,987,902</u>

See notes to financial statements.

PIKES PEAK COMMUNITY FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative totals for 2016)

	2017			Temporarily Restricted	Total	2016 Total
	Operating Funds	Unrestricted Community Funds	Total Unrestricted			
REVENUE						
Investment income	\$ 879,453	\$ 4,235,103	\$ 5,114,556		\$ 5,114,556	\$ 1,949,564
Contributions	113,871	3,694,397	3,808,268		3,808,268	13,008,334
Program income	47,243	86,916	134,159		134,159	420,367
Management fee, charged to others	33,136		33,136		33,136	5,646
Management fee, internal	410,508	(410,508)				
Other revenue	211,712		211,712	\$ 20,875	232,587	202,022
Total	<u>1,695,923</u>	<u>7,605,908</u>	<u>9,301,831</u>	<u>20,875</u>	<u>9,322,706</u>	<u>15,585,933</u>
EXPENSES						
Program expenses:						
Grants	66,429	4,091,489	4,157,918		4,157,918	4,098,124
Non-grant program expenses	<u>30,601</u>	<u>323,604</u>	<u>354,205</u>		<u>354,205</u>	<u>1,337,632</u>
Total program expenses	97,030	4,415,093	4,512,123		4,512,123	5,435,756
Payroll and related	858,731		858,731		858,731	1,257,832
General and administrative	249,119		249,119		249,119	262,573
Investment fees	32,144	200,128	232,272		232,272	219,098
Rent and utilities	112,495		112,495		112,495	53,261
Depreciation	74,810		74,810		74,810	60,926
Legal and professional	<u>49,203</u>		<u>49,203</u>		<u>49,203</u>	<u>52,600</u>
Total expenses	<u>1,473,532</u>	<u>4,615,221</u>	<u>6,088,753</u>	<u>—</u>	<u>6,088,753</u>	<u>7,342,046</u>
Change in net assets before infrequent items	222,391	2,990,687	3,213,078	20,875	3,233,953	8,243,887
Transfer of net assets						(2,703,084)
Loss on impairment of assets held for sale						(4,331,004)
Change in net assets	<u>\$ 222,391</u>	<u>\$ 2,990,687</u>	<u>3,213,078</u>	<u>20,875</u>	<u>3,233,953</u>	<u>1,209,799</u>
NET ASSETS, Beginning of year			<u>60,125,359</u>	<u>114,712</u>	<u>60,240,071</u>	<u>59,030,272</u>
NET ASSETS, End of year			<u>\$ 63,338,437</u>	<u>\$ 135,587</u>	<u>\$ 63,474,024</u>	<u>\$ 60,240,071</u>

See notes to financial statements.

PIKES PEAK COMMUNITY FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative totals for 2016)

	2017	2016
OPERATING ACTIVITIES		
Change in net assets	\$ 3,233,953	\$ 1,209,799
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation expense	74,810	60,926
Realized and unrealized investment gains	(3,799,603)	(926,853)
Loss on impairment of assets held for sale		4,331,004
Transfer of net assets		2,703,084
Other	63,603	45,430
Changes in operating assets and liabilities:		
Other assets	3,586	(36,894)
Accounts payable and accrued expenses	96,759	(58,513)
Deposit on sale of land	55,000	(2,838)
Net cash provided by (used in) operating activities	<u>(271,892)</u>	<u>7,325,145</u>
INVESTING ACTIVITIES		
Purchases of investments	(18,807,095)	(25,301,271)
Sales of investments	18,694,158	16,599,745
Purchases of property and equipment	(51,269)	(9,174)
Proceeds on sale of property and equipment		<u>678,616</u>
Net cash used in investing activities	<u>(164,206)</u>	<u>(8,032,084)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(436,098)	(706,939)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>3,706,425</u>	<u>4,413,364</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 3,270,327</u>	<u>\$ 3,706,425</u>

See notes to financial statements.

PIKES PEAK COMMUNITY FOUNDATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pikes Peak Community Foundation (PPCF) is a Colorado nonprofit corporation. The mission of PPCF is to enhance the quality of life in the Pikes Peak region, both now and for future generations, by building a community endowment, helping donors address community needs, and providing philanthropic leadership.

Principles of Consolidation — The consolidated financial statements include the accounts of PPCF and Pikes Peak Real Estate Foundation (PPREF) (collectively, the Foundation). PPREF was organized to support PPCF and is consolidated since PPCF has both an economic interest in and control over the entity. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation — The accompanying financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent the expendable resources that are available for operations at management's discretion. Generally accepted accounting principles provide that when the governing body of an organization, such as a community foundation, has the unilateral power to redirect the use of donor's contributions to another beneficiary, such contributions must be classified as unrestricted net assets. The Board of Trustees of the Foundation has such power (variance power) to modify any restriction or condition placed on the distribution of funds and to apply the whole or any part of the principal or income of funds as in its judgement is necessary to serve more effectively the charitable purposes of the Foundation. However, the Board of Trustees would only exercise this authority if the stated purpose of a contribution is no longer applicable and incapable of fulfillment. It is the expressed intention of the Foundation to honor the designations of the donors.

Temporarily restricted net assets represent resources restricted by donors as to purpose or by the passage of time.

Permanently restricted net assets represent resources whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. The Foundation presently has no permanently restricted net assets.

Cash and Cash Equivalents — For purposes of the statement of cash flows, the Foundation considers cash, amounts due from banks and highly liquid investments purchased with original maturities of three months or less to be cash and cash equivalents.

Donated Services — The Foundation recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by persons possessing those skills and would typically need to be purchased if not provided by donation.

Investments — Investments are carried at fair value. Fair values for money market accounts, mutual funds, exchange traded funds, real estate investment trusts and common and preferred stocks are determined principally through quoted market prices. Fair values for government obligations and corporate bonds are determined principally through pricing services. Certificates of deposit are valued at cost which approximates fair value. Fair values for private equity securities are determined through the Foundation's proportionate share of the estimated value of the private company. Realized and unrealized gains and losses are reflected in the consolidated statement of activities. Earnings on restricted investments are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the earnings are recognized. All other earnings on donor restricted investments are recognized as an increase in temporarily restricted net assets according to the nature of the restrictions on the original gift. When a donor restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Property and Equipment — All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets in excess of \$50,000 are capitalized. Property and equipment, which consist of land, buildings and furniture and fixtures, are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of three to five years for furnishings and equipment and 40 years for buildings.

Land, Building, and Water Taps Held for Sale — Land, building, and water taps held for sale are recorded at the lower of cost or fair market value. The building held for sale is recorded at cost. Land and water taps held for sale are recorded at fair market value.

Water Rights — Water rights are recorded at fair value on the date of donation and are assessed for impairment annually. No impairment loss was recognized during the years ended December 31, 2017 and 2016.

Funds Held as Agency Endowments — Certain transfers of assets to the Foundation that are for the benefit of the transferring entity, called agency endowments, are accounted for as a liability by the Foundation and appear in the accompanying consolidated balance sheet as funds held as agency endowments. At December 31, 2017, and 2016, respectively, the balance of those funds totaled \$779,506 and \$487,363.

Funds Held in Trust for Others — The Foundation receives certain transfers of assets that are revocable or are not assets held for the benefit of the Foundation. These transfers are accounted for as a liability by the Foundation and appear in the accompanying consolidated balance sheets as funds held in trust for others. At December 31, 2017 and 2016, respectively, the balance of those funds totaled \$4,183,595 and \$3,817,010.

Operating Funds — Operating funds consist of Venetucci Farm, Aspen Valley Ranch, PPCF discretionary grant making and other PPCF operations, including the management fee charged to all community funds.

Concentrations of Credit Risk — Certain financial instruments potentially subject the Foundation to concentrations of credit risk. These financial instruments consist primarily of cash and investments.

Use of Estimates — Preparation of the Foundation's financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status — The Foundation is a nonprofit corporation which is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the Charitable Contribution deduction. The Foundation believes that it does not have any uncertain tax positions that are material to the financial statements. Tax years that remain subject to examination include 2014 through the current period.

Subsequent Events — The Foundation has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Foundation is required to use 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 described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2: Prices determined using significant other observable inputs. 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 (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The investment'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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following tables set forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of December 31:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2017:				
ASSETS				
Investments:				
Common stock:				
Domestic	\$ 10,941,351	\$ 10,941,351		
International	6,931,886	6,931,886		
Money market accounts	525,192	525,192		
Exchange traded funds:				
Domestic fixed income	2,582,047	2,582,047		
Domestic equity	2,010,937	2,010,937		
Real estate and alternative	446,027	446,027		
International equity	399,422	399,422		
International fixed income	25,640	25,640		
Closed End	38,156	38,156		
Mutual funds:				
Domestic fixed income	5,484,442	5,484,442		
Real estate and alternative	3,391,719	3,391,719		
Domestic equity	2,118,262	2,118,262		
International equity	1,405,489	1,405,489		
International fixed income	711,828	711,828		
Other	203,017	203,017		
Real estate investment trusts	976,031	976,031		
Fixed income:				
Corporate bonds	2,831,027		\$ 2,831,027	
Government obligations	2,621,670		2,621,670	
Private equity securities	<u>426,311</u>			<u>\$ 426,311</u>
Total investments	44,070,454	38,191,446	5,452,697	426,311
Land held for investment	4,323,000			4,323,000
Land and water taps held for sale	<u>2,130,996</u>			<u>2,130,996</u>
Total	<u>\$ 50,524,450</u>	<u>\$ 38,191,446</u>	<u>\$ 5,452,697</u>	<u>\$ 6,880,307</u>
LIABILITIES				
Charitable remainder trust	<u>\$ 394,002</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 394,002</u>

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2016:				
ASSETS				
Investments:				
Common stock:				
Domestic	\$ 10,413,772	\$ 10,413,772		
International	5,723,662	5,723,662		
Money market accounts	1,330,041	1,330,041		
Exchange traded funds:				
Domestic fixed income	1,206,046	1,206,046		
Domestic equity	954,127	954,127		
Real estate and alternative	376,027	376,027		
Government obligations	13,934	13,934		
International equity	10,695	10,695		
International fixed income	9,306	9,306		
Mutual funds:				
Domestic fixed income	5,108,573	5,108,573		
Real estate and alternative	2,967,900	2,967,900		
Domestic equity	1,628,481	1,628,481		
International equity	811,432	811,432		
International fixed income	395,071	395,071		
Other	297,798	297,798		
Real estate investment trusts	1,116,381	1,116,381		
Fixed income:				
Corporate bonds	3,082,134		\$ 3,082,134	
Government obligations	2,450,517		2,450,517	
Certificates of deposit	1,233,168		1,233,168	
International corporate bonds	62,615		62,615	
Private equity securities	<u>343,631</u>			\$ 343,631
Total investments	39,535,311	32,363,246	6,828,434	343,631
Land held for investment	4,323,000			4,323,000
Land and water taps held for sale	<u>2,130,996</u>			<u>2,130,996</u>
Total	<u>\$ 45,989,307</u>	<u>\$ 32,363,246</u>	<u>\$ 6,828,434</u>	<u>\$ 6,797,627</u>
LIABILITIES				
Charitable remainder trust	<u>\$ 366,524</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 366,524</u>

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs are as follows:

Private Equity Securities:

Balance, January 1, 2016	\$ 316,181
Purchases	32,131
Change in value	<u>(4,681)</u>
Balance, December 31, 2016	343,631
Purchases	89,542
Change in value	<u>(6,862)</u>
Balance, December 31, 2017	<u>\$ 426,311</u>

Land Held for Investment:

Balance, January 1, 2016	\$ 4,323,000
Change in value	<u>—</u>
Balance, December 31, 2016	4,323,000
Change in value	<u>—</u>
Balance, December 31, 2017	<u>\$ 4,323,000</u>

Land and Water Taps Held for Sale:

Balance, January 1, 2016	\$ 6,462,000
Change in value	<u>(4,331,004)</u>
Balance, December 31, 2016	2,130,996
Adjustment to fair market value	<u>—</u>
Balance, December 31, 2017	<u>\$ 2,130,996</u>

Charitable Remainder Trust:

Balance, January 1, 2016	\$ 365,870
Change in value	33,309
Distributions	<u>(32,655)</u>
Balance, December 31, 2016	366,524
Change in value	60,927
Distributions	<u>(33,449)</u>
Balance, December 31, 2017	<u>\$ 394,002</u>

The following table shows quantitative information about significant unobservable inputs related to Level 3 fair value measurements used as of December 31, 2017:

Investment	Valuation Technique	Unobservable Input	Range
Liability associated with charitable remainder remainder trust	Discounted cash flows	Expected life of lead beneficiaries Return on assets Discount rate	19 years 8 % 8 %
Private equity limited partnerships	Value reported by the partnerships	Fair values of the underlying assets of the partnerships	
Land held for investment	Appraisal	Third party appraiser judgments on economic conditions	
Land and water taps held for sale	Appraisal/ offer from buyer	Third party appraiser judgments on economic conditions/ written offer on assets: recorded at fair market value offer in January 2017.	

Private Equity Limited Partnership — At December 31, 2017 the Foundation has invested \$140,510 in PV Ventures II, L.P. (the Partnership) and has committed an additional investment of \$59,490. The Partnership has a term of ten years which commenced on December 31, 2014, with provisions for two additional one year period extensions at the sole discretion of the General Partner, and additional one year period extensions at the consent of the majority in interest of the Limited Partners. The partnership does not have a redemption feature but may be dissolved prior to the termination date subject to certain conditions. The Partnership's primary investment focus is to pursue a venture capital strategy, generally through investments in seed and early stage technology companies.

Investment income consists of the following for the years ended December 31:

	2017	2016
Realized and unrealized gain on investments	\$ 3,799,603	\$ 926,853
Interest and dividends	<u>1,314,953</u>	<u>1,022,711</u>
Total	<u>\$ 5,114,556</u>	<u>\$ 1,949,564</u>

3. **PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	2017	2016
Land	\$ 7,207,000	\$ 7,207,000
Buildings	1,142,370	2,392,370
Furniture and equipment	361,084	442,705
Art and sculptures	39,500	39,500
Livestock	<u> </u>	<u>7,500</u>
Total	8,749,954	10,089,075
Less accumulated depreciation	<u>506,486</u>	<u>884,566</u>
Property and equipment, net	<u>\$ 8,243,468</u>	<u>\$ 9,204,509</u>

4. **LAND HELD FOR INVESTMENT**

During the year ended December 31, 2014, the Foundation received a donation of 131 acres of land which had an appraised value of \$4,323,000 at the time of the donation. The land is expected to be sold or donated to another non-profit organization. The Foundation has agreed to hold the land for a minimum of two years before selling it, unless the property can be sold at or above the appraised value. The land is recorded at fair market value in the accompanying consolidated balance sheet.

5. **CHARITABLE TRUST SPLIT-INTEREST AGREEMENTS**

The Foundation serves as trustee of a charitable remainder trust. A charitable remainder trust provides for the payments of distributions to the grantor or other designated beneficiaries over the trust's term (the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Foundation's use. Assets held in the charitable remainder trust totaled \$529,589 and \$481,236 at December 31, 2017 and 2016, respectively, and are reported at fair value within investments in the accompanying financial statements. On an annual basis, the Foundation revalues the associated liability based on actuarial assumptions. The present value of the estimated future payments is \$394,002 and \$366,524 at December 31, 2017 and 2016, respectively.

The Foundation also serves as trustee for a charitable remainder trust whose beneficiary of the trust is a third-party organization. The trust assets, which total \$1,030,399 and \$946,126 at December 31, 2017 and 2016, respectively, are included within investments and funds held in trust for others in the accompanying consolidated financial statements.

6. **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the net assets of the split interest agreement under which the Foundation will receive the remaining assets at trust termination and are available for distribution in future periods.

7. COMMITMENTS

The Foundation entered into an operating lease in November 2016 for office space through 2021. As of December 31, 2017, future minimum lease payments under this lease are as follows:

2018	\$ 81,428
2019	82,908
2020	84,389
2021	<u>85,869</u>
Total	<u>\$ 334,594</u>

8. RELATED PARTIES

Certain board members are fund advisors of donor advised funds that are held with the Foundation. As of December 31, 2017 and 2016, the value of these donor advised funds was \$8,490,632 and \$7,966,230, respectively.

9. TRANSFER OF NET ASSETS

During 2016, the Foundation determined that an investment custodian has been treating the assets held by a trust as a separate entity which the Foundation does not control and has a limited financial interest in. Accordingly, as of December 31, 2016, the Foundation has removed the assets from net assets reported on the accompanying consolidated balance sheet by recording the assets as funds held in trust for others. The removal of net assets has been reported as a transfer of net assets in the accompanying consolidated statement of activities.