PROVIDENCE ST. JOSEPH HEALTH

Providence San Fernando and Santa Clarita Valleys
Service Areas Foundation
Providence Little Company of Mary Foundation
Providence TrinityCare Hospice Foundation
Queen of the Valley Foundation

Combined Financial Statements

December 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 2800
401 Union Street
Seattle, WA 98101

Independent Auditors' Report

Audit and Compliance Committee
Providence San Fernando and Santa Clarita Valleys Service Areas Foundation, Providence Little Company of Mary Foundation, Providence TrinityCare Hospice Foundation, and Queen of the Valley Foundation:

Opinion

We have audited the combined financial statements of Providence San Fernando and Santa Clarita Valleys Service Areas Foundation, Providence Little Company of Mary Foundation, Providence TrinityCare Hospice Foundation, and Queen of the Valley Foundation (the Foundations), which comprise the combined balance sheets as of December 31, 2023 and 2022, and the related combined statements of activity, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Foundations as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Foundations and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundations' ability to continue as a going concern for one year after the date that the combined financial statements are issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information of combining financial statements included on pages 23 and 26 are presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

KPMG LLP

Seattle, Washington
July 18, 2024

PROVIDENCE ST. JOSEPH HEALTH – CALIFORNIA FOUNDATIONS

Combined Balance Sheets

December 31, 2023 and 2022

(Dollars in thousands)

Assets	2023	2022
Current assets:		
Cash and cash equivalents	$ 12,307	15,391
Contributions receivable, net of allowance	23,101	20,935
Affiliate receivables	2,278	4,492
Other receivables	12,534	—
Other current assets	1,292	5,006
Total current assets	51,512	45,824
Noncurrent assets:		
Investments	254,969	210,453
Contributions receivable, net of current portion	43,945	47,220
Gift annuities and charitable remainder trusts	3,752	3,064
Beneficial interest in remainder trusts	13,633	14,179
Perpetual trust	1,246	1,100
Property, plant, and equipment, net	1,501	1,653
Real estate and other	4,734	209
Total noncurrent assets	323,780	277,878
Total assets	$ 375,292	323,702
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 115	676
Current obligations under gift annuities	990	797
Current portion of funds held for others	31,326	—
Other liabilities	1,047	305
Total current liabilities	33,478	1,778
Noncurrent liabilities:		
Noncurrent obligations under gift annuities and charitable remainder trusts	546	426
Funds held for others	61,256	—
Other noncurrent liabilities	1,134	—
Total liabilities	96,414	2,204
Net assets:		
Without donor restrictions	106,854	104,612
With donor restrictions	172,024	216,886
Total net assets	278,878	321,498
Total liabilities and net assets	$ 375,292	323,702

See accompanying notes to combined financial statements.

PROVIDENCE ST. JOSEPH HEALTH – CALIFORNIA FOUNDATIONS

Combined Statements of Activities

Years ended December 31, 2023 and 2022

(Dollars in thousands)

	2023	2022
Changes in net assets without donor restrictions:		
Revenues (expenses) and gains (losses):		
Contributions	$ 3,928	7,651
Investment return (loss), net	19,606	(22,583)
Change in value of gift annuities and charitable remainder trusts	—	(556)
Other revenues	824	539
Total revenues and gains (losses) without donor restrictions	24,358	(14,949)
Support from affiliates	16,655	14,473
Net assets released from restrictions	19,917	16,182
Total revenues, gains, and support without donor restrictions	60,930	15,706
Expenses:		
Fundraising	13,373	12,927
Management and general	4,292	2,037
Total expenses	17,665	14,964
Program-related distributions:		
Distributions to affiliates for operations	18,635	14,329
Distributions to affiliates for capital	14,937	26,804
Distributions to nonaffiliate organizations	287	472
Total distributions	33,859	41,605
Total expenses and program-related distributions	51,524	56,569
Other activities and transfers	(7,164)	(387)
Increase (decrease) in net assets without donor restrictions	2,242	(40,476)
Net assets without donor restrictions, beginning of year	104,612	145,088
Net assets without donor restrictions, end of year	$ 106,854	104,612
Changes in net assets with donor restrictions:		
Contributions, net	$ 50,189	44,461
Investment return (loss), net	5,322	(5,545)
Change in value of gift annuities and charitable remainder trusts	449	(584)
Change in value of perpetual trust	91	225
Net assets released from restrictions	(19,917)	(16,182)
Other activities and transfers	(80,996)	(427)
(Decrease) increase in net assets with donor restrictions	(44,862)	21,948
Net assets with donor restrictions, beginning of year	216,886	194,938
Net assets with donor restrictions, end of year	$ 172,024	216,886
Decrease in total net assets	$ (42,620)	(18,528)
Net assets, beginning of year	321,498	340,026
Net assets, end of year	$ 278,878	321,498

See accompanying notes to combined financial statements.

PROVIDENCE ST. JOSEPH HEALTH – CALIFORNIA FOUNDATIONS

Combined Statements of Cash Flows

Years ended December 31, 2023 and 2022

(Dollars in thousands)

	2023	2022
Cash flows from operating activities:		
Total change in net assets	$ (42,620)	(18,528)
Adjustments to reconcile total change in net assets to net cash used in operating activities:		
Contributions and other changes to net assets restricted for long-term purposes	(635)	(9,230)
Depreciation expense	152	155
Net realized and unrealized (gains) losses on investments, net	(19,974)	33,126
Bad debt provisions	111	45
Donated stock	(121)	(6,644)
Funds held for others	92,582	—
Changes in current and noncurrent assets and liabilities	66,687	(11,168)
Net cash provided by (used in) operating activities	96,182	(12,244)
Cash flows from investing activities:		
Sales of investments	60,922	56,234
Purchases of investments	(160,944)	(61,273)
Net cash used in investing activities	(100,022)	(5,039)
Cash flows from financing activities:		
Proceeds from sale of donated stock	121	6,644
Contributions restricted for long-term purposes	635	9,230
Net cash provided by financing activities	756	15,874
Decrease in cash and cash equivalents	(3,084)	(1,409)
Cash and cash equivalents, beginning of year	15,391	16,800
Cash and cash equivalents, end of year	$ 12,307	15,391

See accompanying notes to combined financial statements.

(1) Organization

Providence St. Joseph Health – California Foundations (the Foundations) represent the combined financial statements of the four foundations controlled by Providence St. Joseph Health (the Health System) as follows:

- Providence Little Company of Mary Foundation
- Providence TrinityCare Hospice Foundation
- Queen of the Valley Foundation
- Providence San Fernando and Santa Clarita Valleys Service Areas Foundation

The Foundations are fundraising organizations that receive and administer funds for charitable, scientific, and educational purposes that are consistent with the mission and purposes of the Health System. The Foundations' purposes include, but are not limited to, supporting health, medical and hospital care, conducting solicitation, providing the receipt and administration of property and the disbursement from time to time of such property and income, primarily to or for the benefit of the divisions of the Health System, including its hospitals and shared services (collectively, the Medical Institutions).

In addition to fundraising, Providence Little Company of Mary Foundation, holds and manages the real estate properties acquired by Providence Little Company of Mary Foundation through purchase or donation, via a wholly owned subsidiary, Providence Little Company of Mary Foundation Real Estate Holdings, LLC.

Providence TrinityCare Hospice Foundation provides financial support to the hospice programs of Providence TrinityCare Hospice, which is a separate tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code. The hospice programs include, but are not limited to, volunteer, bereavement, pediatric, nursing, palliative care, hospice care, charity care, and community education program expenses.

Effective January 1, 2022, Queen of the Valley Foundation's financial statements were combined into the combined financial statements of the Foundations. Queen of the Valley Foundation is a nonprofit supporting organization engaged in fundraising activities for the benefit of Queen of the Valley Medical Center in Napa, California. Queen of the Valley Foundation is a separate tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code.

Providence San Fernando and Santa Clarita Valleys Service Areas Foundation consist of Providence Holy Cross Foundation, Providence Saint Joseph Foundation, and Providence Tarzana Foundation.

Providence Tarzana Foundation raises funds on behalf of Tarzana Medical Center, LLC (the Medical Center). The Medical Center is a joint venture partnership between the Health System and Cedars-Sinai Medical Center (CSMC). Although the joint venture was created in March 2019, according to the joint venture operating agreement, the Medical Center remained a controlled and consolidated entity of the Health System until completion of the construction of the Medical Center and admission of the first patient to the Medical Center on October 1, 2023. Both CSMC and the Health System are nonprofit organizations, and the Medical Center continues to be exempt from Federal income taxes as a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code.

(Continued)

Effective October 1, 2023, Providence Tarzana Foundation and the Medical Center changed from being in a financially-interrelated relationship to an agency relationship under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958 *Not-for-Profit Entities*. Under this guidance, funds contributed to and held by Providence Tarzana Foundation on behalf of the Medical Center are held as an asset and corresponding liability as funds held for others on the combined balance sheets. All Providence Tarzana Foundation related net assets held as of October 1, 2023 of $87 million were reclassified to funds held for others on the combined balance sheets. Contributions of $5.2 million, received subsequent to October 1, 2023, were also recorded as funds held for others on the combined balance sheets as of December 31, 2023.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying combined financial statements are prepared using the accrual basis of accounting in accordance with U.S. GAAP. The accompanying combined financial statements present the Foundations and their subsidiaries after eliminations of any intercompany accounts and transactions.

(b) Classification of Net Assets

The combined financial statements report net assets and changes in net assets in two classes based on the existence or absence of donor-imposed restrictions, as follows:

- *Without Donor Restrictions* – Net assets without donor restrictions are resources that are not subject to donor restrictions and over which the Foundations' boards retain control to use funds to achieve the Foundations' purpose.
- *With Donor Restrictions* – Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted by the donor for a particular purpose or that will be met by the passage of time. Other donor-imposed restrictions are to maintain resources in perpetuity. These endowment funds represent funds that are subject to restrictions of gift instruments requiring the principal to be invested in perpetuity.

(c) Contributions and Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by the donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary donor restrictions are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date contributed.

Endowment net assets are reported as net assets with donor restrictions and are stipulated by the donor. They consist of the original principal to be held in perpetuity. Generally, net appreciation, realized and unrealized, unless restricted by the donor, is available for appropriation by the boards of

the Foundations for the uses and purposes for which the endowment fund is intended. Net appreciation is reported as net assets with donor restrictions until it is appropriated by the board.

(d) Use of Estimates

The preparation of combined 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates in the Foundations' combined financial statements include obligations under gift annuities and trust funds, discounts on contributions receivable, and allowances for uncollectible contributions.

(e) Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with original or remaining maturities of three months or less when acquired.

(f) Liquidity

The Foundations regularly monitor liquidity required to meet their operating needs, liabilities, and other obligations as they become due. The primary source of funding for general expenditures of the Foundations is through support from affiliates. To the extent that expenses are not funded by affiliates, they are covered by the Foundations from assets without donor restrictions. At December 31, 2023, the Foundations had 100% of cash and cash equivalents and 24% of investments that were not subject to donor restrictions and could be made available within one year to meet general expenditures and for program-related distributions. At December 31, 2022, the Foundations had 100% of cash and cash equivalents and 9% of investments that were not subject to donor restrictions and could be made available within one year to meet general expenditures and for program-related distributions.

(g) Property, Plant, and Equipment, Net

Property, plant, and equipment are reported at cost. Maintenance and repairs are expensed as incurred. Additions which result in betterment of operating performance or increased useful life of the assets are capitalized and depreciated over the expected useful lives of the assets; 3–10 years for equipment and 20 years for buildings.

Major classification of property, plant, and equipment at December 31 is summarized below (dollars in thousands):

		2023	2022
Equipment	$	623	623
Land		560	560
Buildings		3,246	3,246
		4,429	4,429
Accumulated depreciation		(2,928)	(2,776)
Property, plant, and equipment, net	$	1,501	1,653

(h) Real Estate and Others

The Foundations have received donated property and art carried at appraised fair value determined on the date of donation.

(i) Funds Held for Others

Funds held for others arises from Providence Tarzana Foundation's agency relationship with Tarzana Medical Center, LLC. Providence Tarzana Foundation raise funds for various projects and programs on behalf of the Medical Center. The funds held for others is recognized at fair value and adjustments are made based on the Foundation's fulfillment of its commitment to transfer funds.

(j) Concentration of Risk

Financial instruments that potentially subject the Foundations to concentrations of credit risk consist primarily of cash and short-term investments and contributions receivable. The Foundations' investment portfolios are managed by professional investment managers within guidelines established by the boards of trustees or directors of the individual foundation, which, as a matter of policy, limit the amounts that may be invested in any one issuer. The credit risk attributed to contributions receivable is limited since amounts are generally due from larger organizations or individuals who have previously given funds to the Foundations. The Foundations maintain cash and cash equivalents on deposit at financial institutions, which at times exceed the limits insured by the Federal Deposit Insurance Corporation. This exposes the Foundations to potential risk of loss in the event the financial institutions become insolvent. The Foundations hold cash balances with high-quality financial institutions, thus consider exposure to credit risk to be minimal.

(k) Income Tax Status

The Foundations are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and are generally not subject to federal income taxes. However, the Foundations are subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which they were granted exemption. No income tax provision has been

recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the combined financial statements taken as a whole.

Providence Little Company of Mary Foundation has received a determination letter from the Internal Revenue Service stating that it is exempt from federal income tax as a public charity under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income. The activities of Providence Little Company of Mary Foundation's wholly owned business subsidiary, Providence Little Company of Mary Foundation Real Estate Holding, LLC, generate unrelated business income for the Foundation. However, no unrelated business income taxes were due for 2023 and 2022 related to these activities. Management believes that the Foundation and its related entities are operated in a manner that continues to allow it to be qualified for its tax-exempt status.

(l) Subsequent Events

The Foundations evaluated subsequent events after December 31, 2023 through July 18, 2024, which was the date the combined financial statements were available to be issued.

(3) Contributions Receivable

Contributions are recorded as receivables and revenue in the appropriate net asset category based upon donor-imposed restrictions. Contributions receivable due in excess of one year, less an appropriate reserve for uncollectible contributions, are discounted to their present value depending upon the date, duration, and risks associated with the pledge. The discount rate used for the years ended December 31, 2023 and 2022 were 11% and 9.5%, respectively. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

The schedule of contributions receivable at December 31 is as follows (dollars in thousands):

		2023	2022
Receivable in:			
Less than one year	$	24,823	24,407
One year to five years		45,279	43,068
Thereafter		11,624	18,354
Total contributions receivable		81,726	85,829
Less:			
Discount		(13,007)	(14,202)
Allowance for uncollectible contributions		(1,673)	(3,472)
Net contributions receivable	$	67,046	68,155

The Foundations provide for allowances against contributions receivable for amounts that could become uncollectible. Bad debt expenses related to funds without donor restrictions are included with management

and general expenses in the combined statements of activities. Contributions with donor restrictions are recorded net of bad debt in the combined statements of activities.

The schedule of changes in allowance for doubtful accounts at December 31 is as follows (dollars in thousands):

		2023	2022
Changes in allowance for doubtful accounts:			
Allowance for doubtful accounts, beginning of year	$	3,472	3,581
Write-off of uncollectible accounts, net of recoveries		(1,910)	(154)
Provision for bad debts		111	45
Allowance for doubtful accounts, end of year	$	1,673	3,472

(4) Fair Value Measurements

ASC Topic 820, *Fair Value Measurements*, requires 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs include quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundations have the ability to access at the measurement date.
- Level 2 inputs include inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

The fair values of investments, gift annuities and charitable remainder trusts, beneficial interest in remainder trusts, and the perpetual trust, which are the amounts reported in the combined balance sheets, are estimated based on quoted market prices. The Foundations' beneficial interest in split-interest agreements held or controlled by a third party is classified as Level 3 as the fair values are based on a combination of Level 1 inputs (observable market values of the trusts' investment portfolios) and significant unobservable inputs (entity-specific estimates of cash flows). The fair values are measured at the present value of the future distributions the Foundations expect to receive over the term of the agreements. The Foundations' investments in real property held within split-interest agreements are classified as Level 3 and are based on appraisals using comparative market data at the date of donation, adjusted for estimated changes to the real estate market at the property location subsequent to the donation date.

Providence San Fernando and Santa Clarita Valleys Service Areas Foundation participates in a fund that are not actively marketed on an open exchange. This investment consists of shares or units in an investment fund as opposed to direct interests in the funds' underlying holdings, which may be marketable. Due to the nature of this fund, the net asset value (NAV) per share, or its equivalent, reported by the fund

manager is used as a practical expedient to estimate the fair value of the Foundation's interest therein. Management believes that the carrying amounts of these financial instruments, provided by the fund managers, are reasonable estimates of fair value.

(a) Investments

The composition of investments is set forth in the following tables (dollars in thousands):

	December 31, 2023	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Management-designated cash and investments:				
Cash and cash equivalents	$ 61,967	61,967	—	—
Equity securities:				
Domestic	73,248	73,248	—	—
Foreign	27,438	27,438	—	—
Domestic debt securities:				
State and federal government	5,903	2,144	3,759	—
Corporate	8,760	—	8,760	—
Other	63,733	63,733	—	—
Foreign debt securities	2,676	2,429	247	—
Other	4,753	4,753	—	—
Investments measured using NAV	6,491			
Total investments	$ 254,969			

	December 31, 2022	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Management-designated cash and investments:				
Cash and cash equivalents	$ 19,307	19,307	—	—
Equity securities:				
Domestic	57,383	57,383	—	—
Foreign	25,031	25,031	—	—
Domestic debt securities:				
State and federal government	23,451	16,664	6,787	—
Corporate	24,751	—	24,751	—
Other	26,754	21,776	4,978	—
Foreign debt securities	641	—	641	—
Other	27,289	25,370	1,919	—
Investments measured using NAV	5,846			
Total investments	$ 210,453			

(Continued)

Investments measured using NAV are as follows at December 31 (dollars in thousands):

	Fair value		Unfunded commitments	Redemption frequency	Redemption notice period
	2023	2022			
Commingled fund	$ 6,491	5,846	—	Weekly	10 Days

Commingled funds describe a type of fund structure. Commingled funds consist of assets from several accounts that are blended together. Investors in commingled fund investments benefit from economies of scale, which allow for lower trading costs per dollar of investment.

The Foundations' investments include funds held for the Reimagined Campaign to build a new building for Tarzana Medical Center, LLC. These funds total $26,820 and $13,966 at December 31, 2023 and 2022, respectively. An offsetting liability to recognize the Foundations' obligation to transfer these funds is included in current portion of funds held for others in the accompanying balance sheets.

(b) Investment Return (Loss), Net

Investment return included in the accompanying combined statements of activities for the years ended December 31 is as follows (dollars in thousands):

	2023	2022
Realized return (loss) on investments, net	$ 6,698	(4,456)
Change in unrealized return (loss), net	13,276	(28,670)
Interest and dividend income	5,731	5,089
Investment management fees	(777)	(91)
Investment return (loss), net	$ 24,928	(28,128)

(c) Split-Interest Agreements

The Foundations are beneficiaries of charitable gift annuities and charitable remainder trusts. An actuarial method is used to record these annuities and trusts using discount rates. When a gift is received, the present value of future expected payments to the beneficiaries is recorded as a liability based upon life expectancy tables and current discount rate assumptions and the remainder is recorded as a contribution. Contribution revenue recognized from charitable gift annuities and charitable remainder trusts is classified as an increase in net assets based on the existence or absence of time or use restrictions placed by the donor upon the Foundations' interest in the assets. Annuity assets are reported at fair value as determined using quoted market prices of underlying investments. The discount rate used by the Foundations in calculating the present value of all split-interest liabilities ranged from 5.0% to 6.9% during the years ended December 31, 2023 and 2022.

Gift annuities and charitable remainder trusts consist of the following at December 31 (dollars in thousands):

	2023		
	Charitable gift annuities	**Beneficial interest in remainder trusts**	**Total**
Assets:			
Cash and investments	$ 3,752	13,633	17,385
Total assets	$ 3,752	13,633	17,385
Liabilities and net assets:			
Annuities payable	$ 1,536	—	1,536
Net assets	2,216	13,633	15,849
Total liabilities and net assets	$ 3,752	13,633	17,385

	2022		
	Charitable gift annuities	**Beneficial interest in remainder trusts**	**Total**
Assets:			
Cash and investments	$ 3,064	14,179	17,243
Total assets	$ 3,064	14,179	17,243
Liabilities and net assets:			
Annuities payable	$ 1,223	—	1,223
Net assets	1,841	14,179	16,020
Total liabilities and net assets	$ 3,064	14,179	17,243

(d) Perpetual Trust

Perpetual trust represents the Providence San Fernando and Santa Clarita Valleys Service Areas Foundation's beneficial interest in a charitable remainder unitrust. The resources of this trust are neither in the possession nor under the control of the Foundation and are administered by outside trustees. The Foundation derives income and/or a residual interest from the assets. When an irrevocable trust is established or the Foundation is notified of its existence, the Foundation recognizes its beneficial interest in the outside trust as a contribution at fair value, which is measured at the present value of the estimated expected future benefits to be received when the trust assets are distributed. The contribution revenue recognized is classified as an increase in net assets with donor

restrictions based on the time or use restrictions placed by the donor upon the Foundation's beneficial interest in the assets.

The composition of assets held under split-interest agreements is set forth in the following tables (dollars in thousands):

	December 31, 2023	Level 1	Level 2	Level 3
Assets held under split-interest agreements:				
Gift annuities and charitable remainder trust funds:				
Cash and cash equivalents	$ 2,015	2,015	—	—
Equity securities	1,021	1,021	—	—
Fixed income securities	716	—	716	—
Beneficial interest in remainder trusts	13,633	—	—	13,633
Perpetual trust	1,246	—	—	1,246
Total assets held under split-interest agreements	$ 18,631	3,036	716	14,879

	December 31, 2022	Level 1	Level 2	Level 3
Assets held under split-interest agreements:				
Gift annuities and charitable remainder trust funds:				
Cash and cash equivalents	$ 1,838	1,838	—	—
Equity securities	691	691	—	—
Fixed income securities	257	—	257	—
Beneficial interest in remainder trusts	14,179	—	—	14,179
Perpetual trust	1,100	—	—	1,100
Other	278	—	278	—
Total assets held under split-interest agreements	$ 18,343	2,529	535	15,279

(Continued)

There were no significant transfers between assets classified as Level 1 and Level 2 during the years ended December 31, 2023 and 2022. Level 3 assets include charitable remainder and perpetual trusts. Fair values of charitable remainder trusts were estimated using an income approach. Fair values of perpetual trusts were estimated using a market approach.

The Foundations are required by regulations of the California Department of Insurance to maintain a reserve fund adequate to meet the future payments under its charitable gift annuity agreements. The minimum balance required in the reserve account was $1,412,000 and $911,000 as of December 31, 2023 and 2022, respectively. Beneficiary payments are charged to the liability, with periodic adjustments made between the liability and the net assets to record actuarial gains and losses resulting from changes in fair value and life expectancy, and are reflected in the combined statements of activities.

(5) Transactions with Affiliates

The affiliated Medical Institutions pay a portion of the operating and payroll expenses on behalf of the Foundations. The affiliated Medical Institutions paid $16,655,000 and $14,473,000, respectively, of expenses in 2023 and 2022. These amounts are recorded as support from affiliates and operating expenses in the combined statements of activities.

Affiliate receivables represent contributions identified for the Foundations' use but were not yet transferred to the Foundations as of year-end.

Providence Little Company of Mary Foundation Real Estate Holdings, LLC leases a medical office building to Providence Medical Institute, a nonprofit affiliate of the Health System, under an agreement that runs through 2030. Rental revenue related to the lease, which is included with other revenues in the combined statements of activities, was $754,000 and $369,000 in 2023 and 2022, respectively.

Future minimum rent receipts are as follows (dollars in thousands):

		Amount
Year ending December 31:		
2024	$	386
2025		395
2026		403
2027		411
2028		419
Thereafter		427
Total	$	2,441

(6) Functional Expenses

The Foundations provide various support services to the Medical Institutions. The costs of program and supporting activities are summarized in the combined statements of activities. The schedule below presents the natural classification detail of expenses by function. Certain costs may have been allocated to more than one support function. The Foundations allocate expenses that are included in salaries and

benefits and have been allocated based upon the estimated level of effort incurred by the Foundations' employees.

The schedule of functional expenses for the years ended December 31 is as follows (dollars in thousands):

		2023	2022
Fundraising:			
Salaries and benefits	$	5,368	4,872
Purchased services and professional fees		6,370	5,514
Supplies		123	104
Other expenses		1,512	955
Total fundraising		13,373	11,445
Management and general:			
Salaries and benefits		1,889	1,075
Purchased services and professional fees		1,791	1,838
Supplies		42	43
Interest and amortization, depreciation, taxes, and licenses		154	154
Other expenses		416	409
Total management and general		4,292	3,519
Total supporting activities expenses		17,665	14,964
Program-related distributions		33,859	41,605
Total expenses and program-related distributions	$	51,524	56,569

(7) Net Assets with Donor Restrictions

The Foundations report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 combined statements of activities as net assets released from restrictions.

Net assets with donor restrictions are restricted for the following purposes as of December 31 (dollars in thousands):

			2023	2022
Donor-restricted endowments subject to spending policy and appropriation to support the following purposes:				
Purpose:	Endowment:			
Autoimmune Disorder	Kwanyu and Chan Endowment	$	5,665	4,800
Cardiovascular, Palliative Care	Hyson Green Endowment		5,144	4,345
Palliative Care	Komatsu Endowed Chair		4,206	3,632
Nursing	Al & Mary Centofante Nursing Education Endowment		2,475	2,092
Cancer Care	Saint Joseph Cancer Center Endowment		2,124	1,876
Nursing	Schneider Endowment		2,103	1,777
Palliative Care	Sisters of LCM Endowment		1,000	1,500
Palliative Care	Sr. Landini Endowment		1,675	1,401
General Purpose	J. Bezich Endowment		1,261	1,261
Radiology Services	Lim Family Endowment		1,333	1,149
Nursing Scholarships	K.M. Baldwin Endowment		1,119	997
Nursing Scholarships	Little Company of Mary Hospital Auxiliary Endowment		1,158	979
Neonatal Intensive Care	Joan and Chris W. Caras Endowment		1,142	965
Palliative Care	Doak Endowment		949	803
Various	Other Endowments		7,572	13,804
			38,926	41,381
General purpose	Pertusati perpetual trust		1,246	1,100
Subject to the passage of time:				
Split-interest agreements, net			17,385	17,243
Subject to expenditure for specified purposes:				
Program support			56,527	38,401
Charity care			13,854	14,432
Capital assets			44,086	104,329
			114,467	157,162
Total net assets with donor restrictions		$	172,024	216,886

(Continued)

(8) Endowments

The Foundations' endowments consist of 85 funds established for a variety of purposes. These endowments include both donor-restricted endowment funds and funds designated by the respective Foundations' Board of Directors to function as endowments (quasi-endowments). As required by U.S. GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundations' management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted in the state of California as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, when reviewing donor-restricted endowment funds, the Foundations consider a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundations have interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent management required under the law. Also, in accordance with UPMIFA, the Foundations consider the following factors in making determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundations and the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundations
- The investment policies of the Foundations

Endowment net asset composition by type of fund as of December 31 is as follows (dollars in thousands):

	2023		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	$ —	53,522	53,522
Board-designated endowment funds	23,166	—	23,166
Total	$ 23,166	53,522	76,688

	2022		
	Without donor restrictions	**With donor restrictions**	**Total**
Donor-restricted endowment funds	$ —	44,319	44,319
Board-designated endowment funds	22,727	—	22,727
Total	$ 22,727	44,319	67,046

The Board of Directors has designated net assets without donor restrictions for the following purposes (dollars in thousands):

	December 31	
	2023	**2022**
General use for operations of Medical Centers	$ 12,453	12,616
Community health	4,549	4,320
Partners for Healthy Kids	4,871	4,247
Capital	537	789
Cardiology and oncology	756	755
Total	$ 23,166	22,727

Changes in endowment net assets are as follows (dollars in thousands):

	Without donor restrictions	**With donor restrictions**	**Total**
Balance as of December 31, 2021	$ 30,547	47,777	78,324
Investment loss, net	(4,523)	(4,208)	(8,731)
Contributions and other	256	1,634	1,890
Appropriated for expenditure	(3,553)	(884)	(4,437)
Balance as of December 31, 2022	22,727	44,319	67,046
Investment loss, net	3,371	5,042	8,413
Contributions and other	106	4,850	4,956
Appropriated for expenditure	(3,038)	(689)	(3,727)
Balance as of December 31, 2023	$ 23,166	53,522	76,688

(Continued)

(a) Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundations to retain as a fund of perpetual duration. The Foundations had no donor-restricted endowment funds with deficiencies of this nature as of December 31, 2023 and 2022.

(b) Return Objectives and Risk Parameters

The Foundations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by their endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundations must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed the risk-free rate of return, while assuming a moderate level of investment risk.

(c) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundations rely 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 Foundations target a diversified asset allocation that places a greater emphasis on fixed income investments with a portion also designated for equity-based investments.

Substantially all investments of the Foundations held for endowment are pooled for investment purposes. Income earned on endowment fund investments is allocated on the basis of each fund's proportionate interest in the pooled investment portfolio.

(d) Spending Policy and How the Investment Objectives Relate to Spending Policy

Based on board policy, assets classified as donor-restricted endowments according to donor intention are only utilized for current period expenditures to the extent that income and gains on the endowment exceed the original fair value of the donation.

Providence San Fernando and Santa Clarita Valleys Service Areas Foundation has a policy of appropriating up to 90% of its endowment fund's income each year for distribution. In implementing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns.

(Continued)

Providence Little Company of Mary Foundation has a policy of appropriating for distribution each year an annual target, up to 4% of its long-term investment account, which includes the endowment fund's average fair market value over the prior three years 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. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Providence TrinityCare Hospice Foundation has a policy of appropriating for distribution each year an annual target, up to 5% of its long-term investment account, which includes the endowment fund's average fair market value over the prior three years 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. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Queen of the Valley Foundation has a policy for appropriating distributions annually up to 3% of its endowments fund's average fair value calculated on a 3-year trailing average preceding the fiscal year in which the distribution is planned. The difference between the actual total return each year and the spending percentage is charged or credited to net assets with or without donor restrictions depending on donor stipulations. Any changes to the percentage rate as described is subject to approval by the Board of Directors.

Schedule I

PROVIDENCE ST. JOSEPH HEALTH – CALIFORNIA FOUNDATIONS

Schedule – Combining Balance Sheet Information

December 31, 2023

(Dollars in thousands)

Assets	San Fernando and Santa Clarita Valleys Service Areas Foundation	Little Company of Mary Foundation	TrinityCare Hospice Foundation	Queen of the Valley Foundation	Total
Current assets:					
Cash and cash equivalents	$ 5,218	3,998	497	2,594	12,307
Contributions receivable, net of allowance	10,926	8,671	450	3,054	23,101
Affiliate receivables	528	1,729	21	—	2,278
Other receivables	12,534	—	—	—	12,534
Other current assets	278	512	502	—	1,292
Total current assets	29,484	14,910	1,470	5,648	51,512
Noncurrent assets:					
Investments	116,278	94,986	14,483	29,222	254,969
Contributions receivable, net of current portion	32,718	10,645	—	582	43,945
Gift annuities and other trusts	772	1,041	—	1,939	3,752
Beneficial interests in remainder trusts	8,673	919	—	4,041	13,633
Perpetual trusts	1,246	—	—	—	1,246
Property, plant, and equipment, net	—	1,501	—	—	1,501
Real estate and other	209	—	—	4,525	4,734
Total noncurrent assets	159,896	109,092	14,483	40,309	323,780
Total assets	$ 189,380	124,002	15,953	45,957	375,292
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	$ 58	57	—	—	115
Current obligations under gift annuities	85	91	—	814	990
Current portion of funds held for others	31,326	—	—	—	31,326
Other liabilities	83	861	103	—	1,047
Total current liabilities	31,552	1,009	103	814	33,478
Noncurrent liabilities:					
Noncurrent obligations under gift annuities and charitable remainder trusts	307	128	—	111	546
Funds held for others	61,256	—	—	—	61,256
Other noncurrent liabilities	—	—	—	1,134	1,134
Total liabilities	93,115	1,137	103	2,059	96,414
Net assets:					
Without donor restrictions	48,436	41,258	4,441	12,719	106,854
With donor restrictions	47,829	81,607	11,409	31,179	172,024
Total net assets	96,265	122,865	15,850	43,898	278,878
Total liabilities and net assets	$ 189,380	124,002	15,953	45,957	375,292

See accompanying independent auditors' report.

Schedule I

PROVIDENCE ST. JOSEPH HEALTH – CALIFORNIA FOUNDATIONS

Schedule – Combining Balance Sheet Information

December 31, 2022

(Dollars in thousands)

Assets	San Fernando and Santa Clarita Valleys Service Areas Foundation	Little Company of Mary Foundation	TrinityCare Hospice Foundation	Queen of the Valley Foundation	Total
Current assets:					
Cash and cash equivalents	$ 1,873	3,950	1,508	8,060	15,391
Contributions receivable, net of allowance	14,347	3,215	650	2,723	20,935
Affiliate receivables	1,695	2,766	31	—	4,492
Other current assets	(153)	151	—	5,008	5,006
Total current assets	17,762	10,082	2,189	15,791	45,824
Noncurrent assets:					
Investments	93,956	83,501	13,261	19,735	210,453
Contributions receivable, net of current portion	37,012	9,845	—	363	47,220
Gift annuities and other trusts	714	1,022	—	1,328	3,064
Beneficial interests in remainder trusts	8,906	861	—	4,412	14,179
Perpetual trusts	1,100	—	—	—	1,100
Property, plant, and equipment, net	—	1,653	—	—	1,653
Real estate and other	209	—	—	—	209
Total noncurrent assets	141,897	96,882	13,261	25,838	277,878
Total assets	$ 159,659	106,964	15,450	41,629	323,702
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	$ 248	428	—	—	676
Current obligations under gift annuities	91	91	—	615	797
Other liabilities	152	128	25	—	305
Total current liabilities	491	647	25	615	1,778
Noncurrent liabilities:					
Noncurrent obligations under gift annuities and charitable remainder trusts	249	177	—	—	426
Total liabilities	740	824	25	615	2,204
Net assets:					
Without donor restrictions	57,222	37,481	4,218	5,691	104,612
With donor restrictions	101,697	68,659	11,207	35,323	216,886
Total net assets	158,919	106,140	15,425	41,014	321,498
Total liabilities and net assets	$ 159,659	106,964	15,450	41,629	323,702

See accompanying independent auditors' report.

Schedule II

PROVIDENCE ST. JOSEPH HEALTH – CALIFORNIA FOUNDATIONS

Combining Statements of Activities Information

December 31, 2023

(Dollars in thousands)

	San Fernando and Santa Clarita Valleys Service Areas Foundation	Little Company of Mary Foundation	TrinityCare Hospice Foundation	Queen of the Valley Foundation	Total
Changes in net assets without donor restrictions:					
Revenues (expenses) and gains (losses):					
Contributions	$ 2,376	608	559	385	3,928
Investment return, net	8,008	9,953	533	1,112	19,606
Other (expenses) revenues	(32)	828	28	—	824
Total revenues and gains without donor restrictions	10,352	11,389	1,120	1,497	24,358
Support from affiliates	8,187	4,957	1,150	2,361	16,655
Net assets released from restrictions	7,528	6,317	2,869	3,203	19,917
Total revenues, gains, and support without donor restrictions	26,067	22,663	5,139	7,061	60,930
Expenses:					
Fundraising	6,918	3,956	797	1,702	13,373
Management and general	1,904	1,456	258	674	4,292
Total expenses	8,822	5,412	1,055	2,376	17,665
Program-related distributions:					
Distributions to affiliates for operations	4,683	10,348	3,334	270	18,635
Distributions to affiliates for capital	9,044	2,362	—	3,531	14,937
Distributions to nonaffiliate organizations	186	—	97	4	287
Total distributions	13,913	12,710	3,431	3,805	33,859
Total expenses and program-related distributions	22,735	18,122	4,486	6,181	51,524
Other activities and transfers	(12,118)	(764)	(430)	6,148	(7,164)
(Decrease) increase in net assets without donor restrictions	(8,786)	3,777	223	7,028	2,242
Net assets without donor restrictions, beginning of year	57,222	37,481	4,218	5,691	104,612
Net assets without donor restrictions, end of year	$ 48,436	41,258	4,441	12,719	106,854
Changes in net assets with donor restrictions:					
Contributions, net	$ 26,892	15,421	2,241	5,635	50,189
Investment return, net	581	3,736	400	605	5,322
Change in value of gift annuities and charitable remainder trusts	1,326	127	—	(1,004)	449
Change in value of perpetual trust	91	—	—	—	91
Net assets released from restrictions	(7,528)	(6,317)	(2,869)	(3,203)	(19,917)
Other activities and transfers	(75,230)	(19)	430	(6,177)	(80,996)
(Decrease) increase in net assets with donor restrictions	(53,868)	12,948	202	(4,144)	(44,862)
Net assets with donor restrictions, beginning of year	101,697	68,659	11,207	35,323	216,886
Net assets with donor restrictions, end of year	$ 47,829	81,607	11,409	31,179	172,024
(Decrease) increase in total net assets	$ (62,654)	16,725	425	2,884	(42,620)
Net assets, beginning of year	158,919	106,140	15,425	41,014	321,498
Net assets, end of year	$ 96,265	122,865	15,850	43,898	278,878

See accompanying independent auditors' report.

Schedule II

PROVIDENCE ST. JOSEPH HEALTH – CALIFORNIA FOUNDATIONS

Combining Statements of Activities Information

December 31, 2022

(Dollars in thousands)

	San Fernando and Santa Clarita Valleys Service Areas Foundation	Little Company of Mary Foundation	TrinityCare Hospice Foundation	Queen of the Valley Foundation	Total
Changes in net assets without donor restrictions:					
Revenues and gains:					
Contributions	$ 3,286	2,610	439	1,316	7,651
Investment loss, net	(11,019)	(9,265)	(879)	(1,420)	(22,583)
Change in value of gift annuities and charitable remainder trusts	(249)	(307)	—	—	(556)
Other revenues	163	369	7	—	539
Total revenues and losses without donor restrictions	(7,819)	(6,593)	(433)	(104)	(14,949)
Support from affiliates	7,798	4,664	813	1,198	14,473
Net assets released from restrictions	4,748	7,977	1,903	1,554	16,182
Total revenues, gains, and other support without donor restrictions	4,727	6,048	2,283	2,648	15,706
Expenses:					
Fundraising	7,176	4,182	658	911	12,927
Management and general	641	652	185	559	2,037
Total expenses	7,817	4,834	843	1,470	14,964
Program-related distributions:					
Distributions to affiliates for operations	2,781	7,376	2,339	1,833	14,329
Distributions to affiliates for capital	21,155	5,186	—	463	26,804
Distributions to nonaffiliate organizations	471	—	1	—	472
Other activities and transfers	(235)	(152)	—	—	(387)
Total distributions	24,172	12,410	2,340	2,296	41,218
Total expenses and program-related distributions	31,989	17,244	3,183	3,766	56,182
Decrease in net assets without donor restrictions	(27,262)	(11,196)	(900)	(1,118)	(40,476)
Net assets without donor restrictions, beginning of year	84,484	48,677	5,118	6,809	145,088
Net assets without donor restrictions, end of year	$ 57,222	37,481	4,218	5,691	104,612
Changes in net assets with donor restrictions:					
Contributions, net	$ 30,727	9,260	2,790	1,684	44,461
Investment loss, net	(1,067)	(3,838)	(273)	(367)	(5,545)
Change in value of gift annuities and charitable remainder trusts	(259)	(157)	—	(168)	(584)
Change in value of perpetual trust	225	—	—	—	225
Net assets released from restrictions	(4,748)	(7,977)	(1,903)	(1,554)	(16,182)
Other activities and transfers	(235)	(152)	—	(40)	(427)
Increase (decrease) in net assets with donor restrictions	24,643	(2,864)	614	(445)	21,948
Net assets with donor restrictions, beginning of year	77,054	71,523	10,593	35,768	194,938
Net assets with donor restrictions, end of year	$ 101,697	68,659	11,207	35,323	216,886
Decrease in total net assets	$ (2,619)	(14,060)	(286)	(1,563)	(18,528)
Net assets, beginning of year	161,538	120,200	15,711	42,577	340,026
Net assets, end of year	$ 158,919	106,140	15,425	41,014	321,498

See accompanying independent auditors' report.