

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2017 And 2016

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Lancaster Osteopathic Health Foundation
Lancaster, Pennsylvania**

We have audited the accompanying consolidated statements of financial position of the Lancaster Osteopathic Health Foundation (the "Foundation") as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lancaster Osteopathic Health Foundation as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
July 12, 2018**

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2017 And 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 229,083	\$ 142,010
Contributions receivable	6,373	3,850
Prepaid expenses and other assets	3,077	3,033
Investments	10,012,149	9,233,547
Furnishings and equipment, net of accumulated depreciation of \$110,501 in 2017 and \$84,145 in 2016	297,134	323,490
Beneficial interest in perpetual trusts	<u>1,187,654</u>	<u>1,096,180</u>
Total assets	<u>\$ 11,735,470</u>	<u>\$ 10,802,110</u>
LIABILITIES AND NET ASSETS		
Accounts payable and other current liabilities	\$ 12,245	\$ 8,058
Annuity payable	5,115	5,538
Deferred revenue	<u>69,791</u>	<u>-</u>
Total liabilities	<u>87,151</u>	<u>13,596</u>
NET ASSETS		
Unrestricted	10,460,165	9,691,834
Temporarily restricted	500	500
Permanently restricted	<u>1,187,654</u>	<u>1,096,180</u>
Total net assets	<u>11,648,319</u>	<u>10,788,514</u>
Total liabilities and net assets	<u>\$ 11,735,470</u>	<u>\$ 10,802,110</u>

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2017 And 2016

	<u>2017</u>	<u>2016</u>
REVENUE AND GAINS (LOSSES)		
Investment return, net of \$99,237 in 2017 and \$97,280 in 2016 of investment fees	\$ 1,315,511	\$ 355,621
Perpetual trust distribution	53,711	54,695
Contributions	15,943	13,005
Grants	8,552	18,249
Other	93	630
Changes in value of split interest agreements	(1,353)	(1,392)
Net assets released from restrictions	<u>-</u>	<u>4,121</u>
Total revenue and gains	<u>1,392,457</u>	<u>444,929</u>
EXPENSES		
Program:		
Foundation program	<u>501,147</u>	<u>460,275</u>
Total program	501,147	460,275
General and administration	105,038	109,666
Fund raising	<u>17,941</u>	<u>15,668</u>
Total Expenses	<u>624,126</u>	<u>585,609</u>
Change in unrestricted net assets	<u>768,331</u>	<u>(140,680)</u>
Change in temporarily restricted net assets:		
Net assets released from restrictions	<u>-</u>	<u>(4,121)</u>
Change in temporarily restricted net assets	<u>-</u>	<u>(4,121)</u>
Change in permanently restricted net assets:		
Change in beneficial interest in perpetual trusts	<u>91,474</u>	<u>7,422</u>
Change in net assets	859,805	(137,379)
NET ASSETS		
Beginning	<u>10,788,514</u>	<u>10,925,893</u>
Ending	<u>\$ 11,648,319</u>	<u>\$ 10,788,514</u>

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2017 And 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 859,805	\$ (137,379)
Adjustments to reconcile total change in net assets to net cash used by operating activities:		
Depreciation	26,356	14,705
Realized and unrealized gain on investments	(1,175,524)	(267,663)
Change in beneficial interest in perpetual trusts	(91,474)	(7,422)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(44)	(283)
Contributions receivable	(2,523)	(3,850)
Accounts payable and accrued expenses	3,764	3,607
Deferred income	<u>69,791</u>	<u>-</u>
Net cash used for operating activities	<u>(309,849)</u>	<u>(398,285)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	6,767,154	6,978,181
Purchases of investments	(6,370,232)	(6,272,945)
Purchases of furnishings and equipment	<u>-</u>	<u>(305,801)</u>
Net cash provided by investing activities	<u>396,922</u>	<u>399,435</u>
Net cash flows provided by operating and investing activities	87,073	1,150
CASH		
Beginning of year	<u>142,010</u>	<u>140,860</u>
End of year	<u>\$ 229,083</u>	<u>\$ 142,010</u>

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017 And 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION

The Lancaster Osteopathic Health Foundation (“**LOHF**”) is a non-profit corporation and public charitable foundation committed to enhancing the health and well being of the citizens of Lancaster County. It is the successor to the Community Hospital of Lancaster Foundation, which was dissolved upon the sale of the Hospital on June 30, 1999.

The Lancaster Osteopathic Health Supporting Organization (“**LOHSO**”), also a non-profit corporation, was created upon the sale of Community Hospital of Lancaster (the “**Hospital**”) on June 30, 1999. It supports the work of the Foundation and manages agreed-upon issues remaining from the sale of the hospital, the bulk of which occurred before July 1, 1999.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Foundation and its controlled affiliate, the Lancaster Osteopathic Health Supporting Organization. All significant intercompany balances and transactions have been eliminated.

SALE OF COMMUNITY HOSPITAL OF LANCASTER

Substantially all of the operating assets and certain agreed-upon liabilities of the Hospital were acquired by Health Management Associates, Inc. (“**HMA**”) on June 30, 1999. As disclosed more fully in Note 6, the Foundation retained responsibility for certain liabilities incurred by the Hospital prior to the sale.

ACCOUNTING ESTIMATES

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

CASH AND CASH EQUIVALENTS

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

CONCENTRATIONS OF CREDIT RISK

The Foundation occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (“**ASC**”) 825, “**Financial Instruments**”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

INVESTMENTS

Marketable securities are stated at fair value and are determined based on quoted market prices. Other investments and stated at fair value (*See Note 2*).

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017 And 2016

GRANTS AND CONTRIBUTIONS

The Foundation reports gifts of cash and other assets as temporarily restricted if they are received with donor stipulations that limit the use of the assets. When a stipulated time restriction ends, or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the Consolidated Statement of Activities. Unrestricted contributions and grants are reported as revenue in the year in which unconditional promises are made.

The Foundation receives funding under grants from other organizations for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreement. Advance receipts on such awards are classified as deferred income in the Consolidated Statement of Financial Position.

DONATED MATERIALS AND SERVICES

The Foundation receives donated services from unpaid volunteers who assist in fund raising and special projects. No amounts for these services have been recognized in the statements of activities because the criteria for recognition has not been met.

FURNISHINGS AND EQUIPMENT

Furnishings and equipment are stated at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Maintenance and repairs are charged to expense as incurred. When depreciable properties are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Depreciation expense amounted to \$26,356 and \$14,705 for the years ended December 31, 2017 and 2016, respectively.

NET ASSETS

A description of the three net asset categories follows.

Unrestricted net assets include the revenues and expenses associated with the principal educational mission of the Foundation.

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met.

Permanently restricted net assets include gifts, trusts, and pledges which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. Presently these net assets consist of a beneficial interest in perpetual trusts.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017 And 2016

INCOME TAXES

The Foundation qualifies as a tax-exempt organization under the provision of the Internal Revenue Code Section 501(c)(3); therefore, its income is not subject to federal or state income taxes.

Management has reviewed the tax positions for each of the open tax years (2014 – 2016) or those expected to be taken in LOHF's 2017 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

RECLASSIFICATIONS

Certain reclassifications were made to the 2016 financial statements to conform to the 2017 presentation.

NEW ACCOUNTING PRONOUNCEMENT

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of the Foundation's consolidated financial statements, it is not expected to alter the Foundation's reported consolidated financial position.

(2) INVESTMENTS

A SUMMARY OF THE FAIR VALUE OF INVESTMENTS AT DECEMBER 31

	<u>2017</u>	<u>2016</u>
Cash and Money Market Funds	\$ 345,231	\$ 282,637
Common Stock	737,967	2,874,769
Fixed Income Securities	1,822,080	1,438,077
Mutual Funds		
Equity and Exchange-Traded	5,477,104	2,605,259
Fixed Income	464,526	444,356
Hedge Funds		
Absolute Return ^(a)	1,165,241	745,048
Strategic Return ^(b)	-	843,401
Total Investments	<u>\$ 10,012,149</u>	<u>\$ 9,233,547</u>

(a) The Absolute Return share class invests in a diversified basket of hedge fund managers and strategies in order to achieve a long-term, fixed income-like return with less volatility and limited correlation to traditional asset classes. The fair values of the investments in this category have been recorded at the net asset value of the underlying funds, which are predominantly investments in investment funds. Redemptions can be made with 90 days of notice. There are no unfunded commitments at December 31, 2017.

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017 And 2016

- (b) The Strategic Return share class invested in a diversified basket of hedge fund managers and strategies in order to achieve a long-term, equity-like return with less volatility and moderate correlation to traditional asset classes. The fair values of the investments in this category have been recorded at the net asset value of the underlying funds, which are predominantly investments in investment funds. Redemptions were available to be made with 90 days of notice. There are no unfunded commitments at December 31, 2016. In May 2017, the Board of Directors and general partner of the Strategic Return Fund approved reorganization plans and, as a result, the assets of the Strategic Return Fund were merged with the Absolute Return Fund in September 2017.

UNRESTRICTED INVESTMENT RETURN

	<u>2017</u>	<u>2016</u>
Interest and dividends, net	\$ 139,987	\$ 87,958
Unrealized appreciation on investments	464,297	40,375
Realized investment gain	<u>711,227</u>	<u>227,288</u>
Total investment return	<u>\$1,315,511</u>	<u>\$355,621</u>

FAIR VALUE

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical securities or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Foundation's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The hierarchy requires the use of observable market data when available. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the measurement.

Hedge Funds are valued at their net asset value or its equivalent ("NAV") as a practical expedient and have been categorized separately in the fair value hierarchy.

Beneficial Interest in Perpetual Trusts are measured at the estimated fair value of the underlying assets of the trusts. Because the trusts will not be distributed to the Foundation, the inputs to fair value are considered Level 3.

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017 And 2016

The summary of inputs used to value the Foundation's investments and beneficial interest in perpetual trusts as of December 31, 2017 and 2016 is as follows:

	<u>2017</u>			<u>Net Asset Value</u>	<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		
Investments					
Cash and Money Market Funds	\$ 345,231	\$ -	\$ -	\$ -	\$ 345,231
Common Stock	737,967	-	-	-	737,967
Fixed Income Securities	-	1,822,080	-	-	1,822,080
Mutual Funds					
Equity and Exchange – Traded	5,477,104	-	-	-	5,477,104
Fixed Income	464,526	-	-	-	464,526
Hedge Funds					
Absolute Return	-	-	-	1,165,241	1,165,241
Total	<u>\$ 7,024,828</u>	<u>\$ 1,822,080</u>	<u>\$ -</u>	<u>\$ 1,165,241</u>	<u>\$ 10,012,149</u>
Beneficial Interest in Perpetual Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,187,654</u>	<u>\$ -</u>	<u>\$ 1,187,654</u>
 2016					
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value</u>	<u>Total</u>
Investments					
Cash and Money Market Funds	\$ 282,637	\$ -	\$ -	\$ -	\$ 282,637
Common Stock	2,874,769	-	-	-	2,874,769
Fixed Income Securities	-	1,438,077	-	-	1,438,077
Mutual Funds					
Equity and Exchange – Traded	2,605,259	-	-	-	2,605,259
Fixed Income	444,356	-	-	-	444,356
Hedge Funds					
Absolute Return	-	-	-	745,048	745,048
Strategic Return	-	-	-	843,401	843,401
Total	<u>\$ 6,207,021</u>	<u>\$ 1,438,077</u>	<u>\$ -</u>	<u>\$ 1,588,449</u>	<u>\$ 9,233,547</u>
Beneficial Interest in Perpetual Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,096,180</u>	<u>\$ -</u>	<u>\$ 1,096,180</u>

The changes in Level 3 inputs to determine fair value are as follows:

	<u>2017</u>	<u>2016</u>
	<u>Beneficial Interest In Perpetual Trusts</u>	<u>Beneficial Interest In Perpetual Trusts</u>
Balance, Beginning of year	\$ 1,096,180	\$ 1,088,758
Unrealized gains (losses) – net change in valuation	91,474	7,422
Balance, End of year	<u>\$ 1,187,654</u>	<u>\$ 1,096,180</u>

There were no transfers between Level 1 and Level 2 during the years ended December 31, 2017 and 2016.

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017 And 2016

(3) BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Foundation is an income beneficiary of two perpetual trusts held by third parties. Under the terms of these trusts, the Foundation has the irrevocable right to receive the income earned on the trust assets in perpetuity. The beneficial interest in perpetual trusts is reflected as permanently restricted net assets on the accompanying statements of financial position and is reported at the Foundation's respective share of the fair value of the total funds held in trust. Changes in fair value for the period are recognized as an element of the change in permanently restricted net assets. The values of such trusts were \$1,187,654 and \$1,096,180 at December 31, 2017 and 2016, respectively.

(4) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2016 and 2015 are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Nurse Scholarship	<u>\$500</u>	<u>\$500</u>

Net assets released during the years ended December 31, 2017 and 2016 were for the following purpose restrictions:

	<u>2017</u>	<u>2016</u>
CME Program	<u>\$ -</u>	<u>\$4,121</u>

(5) PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the Foundation's beneficial interest in perpetual trusts (*See Note 3*).

LOHF considers substantially all of its net assets (unrestricted, temporarily restricted and permanently restricted) as supporting its operations. As such, total investments represent a pool of funds to provide income for the maintenance of LOHF. The change of those net assets is reflected in the Consolidated Statement of Activities.

(6) CONTINGENCIES

The Foundation is responsible for claims arising prior to the sale of the Hospital, and for any prospective claims to events in which the statute of limitations has not yet expired. As of December 31, 2017, and 2016, the Foundation is not aware of any outstanding claims and it believes the likelihood of any new claims to be remote.

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017 And 2016

(7) SOFTWARE DEVELOPMENT COSTS

The Foundation has contracted third parties to design a web based and mobile compatible software tool to link primary care physicians with behavioral providers and community resources. The Foundation expenses software development costs as incurred until technological feasibility has been established, at which time project costs are capitalized until the product is available for release. Technological feasibility was not yet established as of December 31, 2017. As such, all expenses related to this project have been expensed as incurred. Expenses for this project were approximately \$150,000 in 2017 and 2016.

(8) BENEFIT PLANS

The Foundation has adopted a tax favored defined contribution 403(b) plan for the benefit of its eligible employees. Contributions of approximately \$4,800 and \$5,500 were made in 2017 and 2016, respectively.

(9) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date the financial statements were available for issuance, July 12, 2018, have been evaluated in preparation of the financial statements.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

**To the Board of Directors
Lancaster Osteopathic Health Foundation
Lancaster, Pennsylvania**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is 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 financial statements as a whole

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
July 12, 2018**

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

	<u>Foundation Program</u>	<u>General And Administration</u>	<u>Fund Raising</u>	<u>Total</u>
EXPENSES				
Salaries and benefits	\$ 95,165	\$ 47,932	\$ 11,380	\$ 154,477
Grants	175,748	-	-	175,748
Insurance	3,702	1,865	443	6,010
Utilities	4,205	2,118	503	6,826
Maintenance	2,340	1,179	280	3,799
Consultants	-	16,079	-	16,079
Legal fees	6,087	-	-	6,087
Audit and accounting fees	-	16,280	-	16,280
Depreciation	16,237	8,178	1,941	26,356
Meetings	3,821	4,016	46	7,883
Conferences	4,466	-	-	4,466
Strategic Planning	5,905	-	-	5,905
Travel	1,459	-	-	1,459
Web Maintenance	-	846	-	846
Memberships	520	-	-	520
Marketing, printing and postage	18,890	2,360	2,361	23,611
Office supplies and expense	3,050	1,536	365	4,951
Software development	149,668	-	-	149,668
Building	4,092	2,061	489	6,642
Other	<u>5,792</u>	<u>588</u>	<u>133</u>	<u>6,513</u>
	<u>\$ 501,147</u>	<u>\$ 105,038</u>	<u>\$ 17,941</u>	<u>\$ 624,126</u>

LANCASTER OSTEOPATHIC HEALTH FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES – (Continued)

Year Ended December 31, 2016

	<u>Foundation Program</u>	<u>General And Administration</u>	<u>Fund Raising</u>	<u>Total</u>
EXPENSES				
Salaries and benefits	\$ 76,343	\$ 56,940	\$ 10,075	\$ 143,358
Grants	156,194	-	-	156,194
Insurance	2,765	2,063	365	5,193
Utilities	3,709	2,766	489	6,964
Maintenance	1,283	957	169	2,409
Consultants	-	9,375	-	9,375
Legal fees	18,914	-	-	18,914
Audit and accounting fees	-	15,771	-	15,771
Depreciation	7,831	5,841	1,033	14,705
Meetings	1,937	3,937	-	5,874
Conferences	1,013	-	-	1,013
Strategic Planning	8,220	-	-	8,220
Travel	1,990	-	-	1,990
Web Maintenance	-	1,061	-	1,061
Memberships	2,200	-	-	2,200
Marketing, printing and postage	15,525	1,940	1,941	19,406
Office supplies and expense	3,606	2,689	476	6,771
Software development	150,043	-	-	150,043
Building	7,524	5,612	993	14,129
Other	<u>1,178</u>	<u>714</u>	<u>127</u>	<u>2,019</u>
	<u>\$ 460,275</u>	<u>\$ 109,666</u>	<u>\$ 15,668</u>	<u>\$ 585,609</u>