



Consolidated Financial Statements

For the Years Ended March 31, 2018 and 2017

## Table of Contents

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	Page
<b>Independent Auditor's Report</b>	1 - 2
<b>Consolidated Financial Statements:</b>	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Unrestricted Net Assets	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 13
<b>Supplementary Information:</b>	
Consolidating Schedule of Financial Position	14
Consolidating Schedule of Activities and Changes in Unrestricted Net Assets	15

## **Independent Auditor's Report**

**To the Board of Trustees  
Meyer Memorial Trust  
Portland, Oregon**

We have audited the accompanying consolidated financial statements of Meyer Memorial Trust and its Affiliate (collectively, the Trust), which comprise the consolidated statements of financial position as of March 31, 2018 and 2017, and the related consolidated statements of activities and changes in unrestricted net assets and cash flows for the years 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditor's 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.



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## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of March 31, 2018 and 2017, and the changes in its unrestricted net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the Meyer Memorial Trust formed a single member limited liability company (the Affiliate) during the year ended March 31, 2018. The activity of the Affiliate is included in the Trust's consolidated financial statements. Our opinion is not modified with respect to this matter.

## **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information on pages 14 and 15 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Clark Nuber PS*

Certified Public Accountants  
September 17, 2018

MEYER MEMORIAL TRUST AND AFFILIATE

Consolidated Statements of Financial Position  
March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets:</b>		
Cash	\$ 2,154,824	\$ 1,016,594
Accrued interest receivable and other assets	411,288	519,334
Program-related investments	15,882,738	18,772,000
Investments at fair value-		
Short-term investment funds	19,341,066	23,804,109
Equity securities and funds	433,179,608	358,564,024
Fixed income securities and funds	89,975,377	77,455,965
Alternative asset interests	<u>224,037,668</u>	<u>268,806,054</u>
Total investments at fair value	766,533,719	728,630,152
Land and building	<u>5,108,136</u>	
<b>Total Assets</b>	<b><u>\$ 790,090,705</u></b>	<b><u>\$ 748,938,080</u></b>
<b>Liabilities and Unrestricted Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,380,609	\$ 2,601,212
Federal taxes payable, net	1,396,498	988,430
Grants payable	<u>10,329,160</u>	<u>9,462,352</u>
<b>Total Liabilities</b>	<b>13,106,267</b>	<b>13,051,994</b>
<b>Net Assets:</b>		
Unrestricted net assets	<u>776,984,438</u>	<u>735,886,086</u>
<b>Total Net Assets</b>	<b><u>776,984,438</u></b>	<b><u>735,886,086</u></b>
<b>Total Liabilities and Unrestricted Net Assets</b>	<b><u>\$ 790,090,705</u></b>	<b><u>\$ 748,938,080</u></b>

See accompanying notes.

MEYER MEMORIAL TRUST AND AFFILIATE

Consolidated Statements of Activities and Changes in Unrestricted Net Assets  
For the Years Ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Unrestricted Revenue:</b>		
Interest	\$ 1,619,204	\$ 1,721,906
Dividends	8,148,619	6,762,684
Other income	<u>186,365</u>	<u>303,849</u>
Total unrestricted revenue	9,954,188	8,788,439
<b>Investment Gains, Net:</b>		
Realized gains	50,650,826	35,795,396
Unrealized gains	<u>29,522,766</u>	<u>22,132,904</u>
Investment gains, net	<u>80,173,592</u>	<u>57,928,300</u>
<b>Total Unrestricted Revenue and Investment Gains, Net</b>	<b>90,127,780</b>	<b>66,716,739</b>
<b>Expenses:</b>		
Program services-		
Grants	36,562,123	34,291,914
Program administration	<u>7,174,334</u>	<u>6,604,065</u>
Total program services	43,736,457	40,895,979
Management expenses-		
Investment management and custodial fees	1,804,044	1,624,921
Investment administration	1,840,988	1,751,884
Provision for federal taxes	<u>1,647,939</u>	<u>1,226,492</u>
Total management expenses	<u>5,292,971</u>	<u>4,603,297</u>
<b>Total Expenses</b>	<b>49,029,428</b>	<b>45,499,276</b>
<b>Change in Unrestricted Net Assets</b>	<b>41,098,352</b>	<b>21,217,463</b>
Unrestricted net assets, beginning of year	<u>735,886,086</u>	<u>714,668,623</u>
<b>Unrestricted Net Assets, End of Year</b>	<b><u>\$ 776,984,438</u></b>	<b><u>\$ 735,886,086</u></b>

See accompanying notes.

**MEYER MEMORIAL TRUST AND AFFILIATE**

**Consolidated Statements of Cash Flows  
For the Years Ended March 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows From Operating Activities:</b>		
Change in unrestricted net assets	\$ 41,098,352	\$ 21,217,463
Adjustments to reconcile change in unrestricted net assets to net cash used by operating activities-		
Net realized and unrealized gains on investments	(80,173,592)	(57,928,300)
Deferred federal taxes payable	369,035	276,662
Loss on program-related investments	200,000	
Application of tax credits for excise tax	129,973	
Changes in assets and liabilities:		
Accrued interest receivable and other assets	(21,927)	(160,087)
Accounts payable and accrued expenses	(1,220,603)	282,261
Federal taxes payable	39,033	915,403
Grants payable	866,808	(1,674,609)
<b>Net Cash Used by Operating Activities</b>	<b>(38,712,921)</b>	<b>(37,071,207)</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from sales of investments	193,134,928	203,524,694
Purchases of investments	(150,864,903)	(166,693,084)
Payments received from program-related investments	2,839,262	902,910
Issuance of program-related investments	(150,000)	
Purchase of land and building	(5,108,136)	
<b>Net Cash Provided by Investing Activities</b>	<b>39,851,151</b>	<b>37,734,520</b>
<b>Net Change in Cash</b>	<b>1,138,230</b>	<b>663,313</b>
Cash, beginning of year	1,016,594	353,281
<b>Cash, End of Year</b>	<b>\$ 2,154,824</b>	<b>\$ 1,016,594</b>
<b>Supplementary Disclosure of Cash Flow Information:</b>		
Cash paid during the year for excise and unrelated business income taxes	\$ 1,109,898	\$ 34,000
Noncash investing activity: loss on program-related investments	\$ 200,000	\$ -

See accompanying notes.

## MEYER MEMORIAL TRUST AND AFFILIATE

### Notes to Consolidated Financial Statements For the Years Ended March 31, 2018 and 2017

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#### Note 1 - Organization

Meyer Memorial Trust was the residuary beneficiary of the Estate of Fred G. Meyer and was formed on April 1, 1982, as a charitable trust under the laws of Oregon. Upon its formation, total contributions from the Estate aggregated \$126,199,492. Meyer Memorial Trust works with and invests in organizations, communities, ideas and efforts that contribute to a flourishing and equitable Oregon.

On December 7, 2017, Meyer Memorial Trust formed 2045 N Vancouver, LLC (the Affiliate), an Oregon Limited Liability Company, for the purposes of the purchase and ownership of real property that will be developed in the future to house Meyer Memorial Trust's headquarters. Meyer Memorial Trust is the single member of the Affiliate.

#### Note 2 - Significant Accounting Policies

**Principles of Consolidation** - The accompanying financial statements consolidate the statements of Meyer Memorial Trust and the Affiliate (collectively, the Trust). Inter-organization balances and transactions have been eliminated in consolidation.

**Basis of Presentation** - The Trust presents its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. For the years ended March 31, 2018 and 2017, activities of the Trust were classified as unrestricted due to the lack of donor-imposed restrictions.

**Cash** - Cash includes cash and deposits in depository institutions. At times, such amounts may be in excess of the federal insurance limits. Management believes that risk with respect to these balances is minimal due to the high credit quality of these institutions. The Trust has not experienced any losses in such accounts to date.

**Program-Related Investments** - The Trust makes program-related investments to other organizations to achieve charitable purposes in alignment with the Trust's strategies. These investments are comprised primarily of low or noninterest bearing loans (Note 4).

**Investments** - The long-term investment goal of the Trust is to invest its assets in a manner that will achieve a total rate of return sufficient to replace the assets spent for grants and expenses and to recoup any value lost due to inflation. To achieve this goal, some investment risk is taken. To minimize such risk, the Trust diversifies its investments among various financial instruments and asset categories, while utilizing multiple investment strategies and investment managers. All financial assets are held in custody for the Trust in proprietary accounts by a major commercial bank, except those assets that have been invested in limited partnerships, hedge funds or in certain products with multiple investors, all of which have separate custodial arrangements appropriate to their legal structure.

Investments consist of traditional assets such as cash, stocks and bonds, as well as alternative investment funds, including hedge funds, private equity, real estate, venture capital and commodities.

The Trust records investments in accordance with Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes 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 (Level 1) and the lowest priority to unobservable inputs (Level 3).



## MEYER MEMORIAL TRUST AND AFFILIATE

### Notes to Consolidated Financial Statements For the Years Ended March 31, 2018 and 2017

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#### Note 2 - Continued

The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Trust has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable.

An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Trust considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment only and should not be considered analogous to risk.

The Trust measures the fair value of investments that do not have readily determinable fair values on the basis of the net asset value (NAV) per share, or its equivalent, as a practical expedient for measuring fair value. The Trust performs due diligence reviews of the NAV in the capital accounts with its investment managers to ensure conformity with U.S. GAAP. The Trust assesses factors including, but not limited to, managers' compliance with fair value measurement standards, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date. NAV is determined by audited financial statements of the investments and quarterly valuation updates provided by investment managers. The NAV of an investment may be adjusted to reflect illiquidity or non-transferability of an investment.

Realized and unrealized gains and losses on investments are reflected in the consolidated statements of activities and changes in unrestricted net assets.

**Office Furniture, Fixtures and Equipment** - Expenditures for office furniture, fixtures and equipment totaled \$40,564 and \$138,734 for the years ended March 31, 2018 and 2017, respectively, and were charged to expense as incurred.

**Land and Building** - The Affiliate purchased land and a building during the year ended March 31, 2018. The land and building are recorded at cost. No depreciation was recognized during the year end March 31, 2018, as the land and building are currently not in use and will be developed as the Trust's future headquarters. The Trust did not own any land or buildings as of March 31, 2017.

**Grants Payable** - Grant expense is recognized in the period the grant is approved by the Trustees. Grants are approved subject to certain conditions. If the recipients fail to meet these conditions, or if grant program needs are less than the amount approved, grants may be canceled or refunded. These cancellations or refunds, normally immaterial in amount, are recognized in the year in which they occur.

**MEYER MEMORIAL TRUST AND AFFILIATE**

**Notes to Consolidated Financial Statements  
For the Years Ended March 31, 2018 and 2017**

**Note 2 - Continued**

**Investment and Program Administration** - The classification of administrative expenses between investment and program activities is determined either by specific identification of the expenditure or by an allocation based on estimates of total personnel time expended.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

**Note 3 - Investments**

Investments are summarized as follows as of March 31:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
U.S. cash and short term investment funds	\$ 19,341,066	\$ 19,341,066	\$ 23,804,109	\$ 23,804,109
U.S. equities and funds	128,566,365	154,470,739	119,818,336	139,664,660
International equities and funds	166,403,762	278,708,869	147,736,351	218,899,364
	294,970,127	433,179,608	267,554,687	358,564,024
U.S. government obligations	49,193,465	48,401,884	48,866,145	45,788,387
Fixed income funds	41,372,274	41,573,493	31,438,823	31,667,578
	90,565,739	89,975,377	80,304,968	77,455,965
Hedge funds	8,208,875	9,187,629	18,815,883	37,739,405
Buyouts	23,222,123	27,162,572	23,324,493	25,240,205
Energy and resources	35,101,222	33,455,976	34,415,728	31,382,470
Private equity	14,995,515	42,646,692	16,636,892	53,797,695
Real estate	13,920,274	10,991,632	24,024,288	23,235,069
Special credits	11,165,069	15,159,415	14,118,541	19,929,127
Invest Oregon	3,920,413	4,310,597	3,047,971	3,183,243
Venture capital	84,075,469	80,279,891	84,889,830	72,988,273
Mezzanine	494,784	843,264	494,782	1,310,567
	195,103,744	224,037,668	219,768,408	268,806,054
<b>Total Investments</b>	<b>\$ 599,980,676</b>	<b>\$ 766,533,719</b>	<b>\$ 591,432,172</b>	<b>\$ 728,630,152</b>

## MEYER MEMORIAL TRUST AND AFFILIATE

### Notes to Consolidated Financial Statements For the Years Ended March 31, 2018 and 2017

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#### Note 3 - Continued

Approximately 75% and 67% of the Trust's total investments as of March 31, 2018 and 2017, respectively, were invested in institutional mutual funds, publicly traded securities that are listed on national exchanges, treasury and agency bonds of the U.S. government and investment and noninvestment grade corporate bonds for which active trading markets exist. Such assets are valued at quoted closing prices at year end.

Approximately 1% and 5% of the Trust's total investments as of March 31, 2018 and 2017, respectively, were invested in hedge funds. The hedge funds utilize a variety of investment strategies which can be broadly categorized as absolute return, long/short equities strategies and fund of funds. Each fund's investment manager calculates the fair value of investments on a monthly basis using the valuation guidelines stipulated in the respective investment agreement, in accordance with fair value accounting.

Approximately 24% and 27% of the Trust's total investments as of March 31, 2018 and 2017, respectively, were invested with numerous partnerships, in which the Trust is a limited partner. The partnerships specialize in investing in venture capital, buyout, special credits, and equity-based real estate investments. Such investments typically invest in private equity or debt securities of companies or properties that are not publicly listed or traded. The value of such investments is determined by the partnerships' general partners, who must follow the valuation guidelines, such as appraisals and comparable company trade data, stipulated in the respective limited partnership agreements. Limited partnerships are audited annually by independent certified public accounting firms.

The valuation techniques described above are consistent with those used in the prior year.

As of March 31, 2018, pursuant to its limited partnership agreements, the Trust was committed to invest approximately \$89.1 million in 39 limited partnership interests at various times through June 2029. These commitments include distributions totaling approximately \$6.3 million as of March 31, 2018, that are recallable by the limited partnerships. Unpaid commitments totaled approximately \$80.6 million as of March 31, 2017, of which approximately \$5.1 million consisted of distributions that are recallable by the limited partnerships.

MEYER MEMORIAL TRUST AND AFFILIATE

Notes to Consolidated Financial Statements  
For the Years Ended March 31, 2018 and 2017

Note 3 - Continued

The fair value of the Trust's investments based on the fair value hierarchy was as follows as of:

	March 31, 2018			Total
	Level 1	Level 2	Level 3	
U.S. cash and short term investment funds	\$ 19,341,066	\$ -	\$ -	\$ 19,341,066
U.S. equities and funds	154,470,739			154,470,739
International equities and funds	107,717,683	170,991,186		278,708,869
U.S. government obligations	26,390,558	22,011,326		48,401,884
Fixed income funds	41,573,493			41,573,493
Energy and resources	33,455,976			33,455,976
<b>Total Investments in the Fair Value Hierarchy</b>	<b>\$ 382,949,515</b>	<b>\$ 193,002,512</b>	<b>\$ -</b>	575,952,027
Investments measured at NAV <sup>(a)</sup>				190,581,692
<b>Investments at Fair Value</b>				<b>\$ 766,533,719</b>

  

	March 31, 2017			Total
	Level 1	Level 2	Level 3	
U.S. cash and short term investment funds	\$ 23,804,109	\$ -	\$ -	\$ 23,804,109
U.S. equities and funds	139,664,660			139,664,660
International equities and funds	107,429,814	111,469,550		218,899,364
U.S. government obligations	25,412,799	20,375,588		45,788,387
Fixed income funds	31,667,578			31,667,578
Energy and resources	31,382,470			31,382,470
<b>Total Investments in the Fair Value Hierarchy</b>	<b>\$ 359,361,430</b>	<b>\$ 131,845,138</b>	<b>\$ -</b>	491,206,568
Investments measured at NAV <sup>(a)</sup>				237,423,584
<b>Investments at Fair Value</b>				<b>\$ 728,630,152</b>

(a) In accordance with ASU 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent), certain investments that were measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position.

## MEYER MEMORIAL TRUST AND AFFILIATE

### Notes to Consolidated Financial Statements For the Years Ended March 31, 2018 and 2017

#### Note 3 - Continued

The following table lists, by category, private investments in partnerships and managed accounts for which fair value is measured using the NAV per share practical expedient by concentration, summarizes significant terms of the agreements with certain investment companies, and discloses unfunded investment commitments:

Strategy	Fair Value March 31, 2018	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Other Restrictions
Alternative illiquid funds- Hedge funds	\$ 9,187,629	\$ -	Pre-set basis, generally quarterly after "lock up" periods as stated in hedge fund agreements		"Lock up" periods of 90 days to 12 months
Partnerships:					
Venture capital	80,279,891	31,134,142	N/A*	N/A*	N/A*
Private equity	42,646,692		N/A*	N/A*	N/A*
Buyouts	27,162,572	24,641,884	N/A*	N/A*	N/A*
Special credits	15,159,415	4,577,725	N/A*	N/A*	N/A*
Real estate	10,991,632	10,215,823	N/A*	N/A*	N/A*
Invest Oregon	4,310,597	1,566,623	N/A*	N/A*	N/A*
Mezzanine	843,264	652,500	N/A*	N/A*	N/A*
Fixed income		10,000,000	N/A*	N/A*	N/A*
	<u>\$ 190,581,692</u>	<u>\$ 82,788,697</u>			

\* These funds are investments in partnerships with no ability to be redeemed as of March 31, 2018. Generally, terms are approximately ten years plus several extension options. Following the investment period, the general partners sell assets of the partnerships over the partnerships' remaining terms and distribute funds to partners as mandated in the partnership agreements. The Trust generally cannot redeem its interest in a partnership prior to the termination date of the partnership.

#### Note 4 - Program-Related Investments

Program-related investments consist primarily of loans made by the Trust to support activities consistent with its mission. The loans are recorded at the principal amounts outstanding, net of a discount or a reasonable loss reserve. There were 15 and 18 loans outstanding as of March 31, 2018 and 2017, respectively. Principal amounts outstanding range from \$60,000 to \$4,000,000, bear interest at rates from 0.0% to 2.5%, and mature between 2018 and 2025. Interest income totaling \$249,052 and \$233,610 was earned on program-related investments during the years ended March 31, 2018 and 2017, respectively.

A loan loss reserve is established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of program-related investment recipients to repay the amounts in accordance with the terms of the agreement. Balances are written off only when they are deemed to be uncollectible. There was no loan loss reserve as of March 31, 2018 and 2017, as management considers all existing program-related investments collectible. There were no committed but not yet funded loans as of March 31, 2018 and 2017.

## MEYER MEMORIAL TRUST AND AFFILIATE

### Notes to Consolidated Financial Statements For the Years Ended March 31, 2018 and 2017

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#### Note 4 - Continued

Program-related investments also include one equity investment totaling \$200,000 as of March 31, 2017, which was recorded at the lower of cost or impaired value. The equity investment was determined to be impaired during the year ended March 31, 2018 and was written-off.

#### Note 5 - Land and Building

Land and building were as follows at March 31, 2018:

Land	\$	2,789,846
Building		2,169,516
Construction in process		148,774
<b>Total Investment in Land and Building</b>	<b>\$</b>	<b>5,108,136</b>

#### Note 6 - Federal Taxes

Meyer Memorial Trust is a private foundation as defined under section 501(c)(3) of the Internal Revenue Code (IRC) and is, therefore, subject to a federal excise tax of 2% on its net investment income. Under certain circumstances, the Trust may qualify for a 1% federal excise tax rate. The Trust qualified for a 1% federal excise tax rate for the years ended March 31, 2018 and 2017. Additionally, the Trust is subject to federal tax on unrelated business income. As a single-member LLC, the Affiliate is disregarded as a separate entity for federal tax purposes.

The Trust files income tax returns with the U.S. Government. The Trust may be subject to examinations for the current year and certain prior years based on applicable laws and regulations.

The provision for federal taxes was composed of the following for the years ended March 31:

	<u>2018</u>	<u>2017</u>
Current tax expense	\$ 1,278,904	\$ 949,831
Deferred tax expense	369,035	276,661
<b>Total Federal Taxes</b>	<b>\$ 1,647,939</b>	<b>\$ 1,226,492</b>

Federal taxes payable (recoverable) was composed of the following as of March 31:

	<u>2018</u>	<u>2017</u>
Current, net	\$ (542,236)	\$ (581,269)
Deferred tax expense	1,938,734	1,569,699
<b>Total Federal Taxes</b>	<b>\$ 1,396,498</b>	<b>\$ 988,430</b>

The deferred tax expense consists of excise tax on unrealized gains on investments. The Trust paid approximately \$1,110,000 and \$34,000 in excise taxes for the years ended March 31, 2018 and 2017, respectively.

**MEYER MEMORIAL TRUST AND AFFILIATE**

**Notes to Consolidated Financial Statements  
For the Years Ended March 31, 2018 and 2017**

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**Note 7 - Grants Payable**

Grants payable are expected to be paid as follows:

For the Year Ending March 31,

2019	\$ 9,162,570
2020	<u>1,166,590</u>
<b>Total Grants Payable</b>	<b><u><u>\$ 10,329,160</u></u></b>

**Note 8 - Commitments**

The Trust leases office space under an operating lease that ends in May 2020. The lease includes escalating rent payments each year. Rental expense totaled \$368,076 and \$347,032 for the years ended March 31, 2018 and 2017, respectively.

As of March 31, 2018, future minimum lease payments under noncancelable operating leases consist of the following:

For the Year Ending March 31,

2019	\$ 365,191
2020	375,208
2021	<u>62,535</u>
<b>Total Future Minimum Lease Payments</b>	<b><u><u>\$ 802,934</u></u></b>

**Note 9 - Subsequent Events**

The Trust has performed an evaluation of subsequent events through September 17, 2018, the date on which the consolidated financial statements were issued, noting no additional events which affect the consolidated financial statements as of March 31, 2018.

On July 17, 2018, the Board of Trustees memorialized a declaration of official intent to obtain debt in the maximum amount of \$15 million to finance the original construction, improvement and equipping of its headquarters office (Note 2). However, no loan commitments have been finalized as of September 17, 2018.

**SUPPLEMENTARY INFORMATION**



**MEYER MEMORIAL TRUST AND AFFILIATE**

**Consolidating Schedule of Financial Position  
March 31, 2018  
(With Comparative Totals for 2017)**

	Meyer Memorial Trust	2045 N Vancouver, LLC	Eliminations	2018	2017
<b>Assets:</b>					
Cash	\$ 2,142,995	\$ 11,829	\$ -	\$ 2,154,824	\$ 1,016,594
Accrued interest receivable and other assets	409,788	1,500		411,288	519,334
Program-related investments	15,882,738			15,882,738	18,772,000
Investments at fair value-					
Short-term investment funds	19,341,066			19,341,066	23,804,109
Equity securities and funds	433,179,608			433,179,608	358,564,024
Fixed income securities and funds	89,975,377			89,975,377	77,455,965
Alternative asset interests	224,037,668			224,037,668	268,806,054
Total investments at fair value	766,533,719			766,533,719	728,630,152
Investment in 2045 N Vancouver, LLC	5,087,771		(5,087,771)		
Land and building		5,108,136		5,108,136	
<b>Total Assets</b>	<b>\$ 790,057,011</b>	<b>\$ 5,121,465</b>	<b>\$ (5,087,771)</b>	<b>\$ 790,090,705</b>	<b>\$ 748,938,080</b>
<b>Liabilities and Unrestricted Net Assets</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 1,343,504	\$ 37,105	\$ -	\$ 1,380,609	\$ 2,601,212
Federal taxes payable, net	1,396,498			1,396,498	988,430
Grants payable	10,329,160			10,329,160	9,462,352
<b>Total Liabilities</b>	<b>13,069,162</b>	<b>37,105</b>		<b>13,106,267</b>	<b>13,051,994</b>
<b>Net Assets:</b>					
Unrestricted net assets	776,987,849	5,084,360	(5,087,771)	776,984,438	735,886,086
<b>Total Net Assets</b>	<b>776,987,849</b>	<b>5,084,360</b>	<b>(5,087,771)</b>	<b>776,984,438</b>	<b>735,886,086</b>
<b>Total Liabilities and Unrestricted Net Assets</b>	<b>\$ 790,057,011</b>	<b>\$ 5,121,465</b>	<b>\$ (5,087,771)</b>	<b>\$ 790,090,705</b>	<b>\$ 748,938,080</b>

See independent auditor's report.

**MEYER MEMORIAL TRUST AND AFFILIATE**

**Consolidating Schedule of Activities and Changes in Unrestricted Net Assets  
For the Year Ended March 31, 2018  
(With Comparative Totals for 2017)**

	Meyer Memorial Trust	2045 N Vancouver, LLC	Eliminations	Total 2018	Total 2017
<b>Unrestricted Revenue:</b>					
Interest	\$ 1,619,204	\$ -	\$ -	\$ 1,619,204	\$ 1,721,906
Dividends	8,148,619			8,148,619	6,762,684
Other income	186,365			186,365	303,849
Total unrestricted revenue	9,954,188			9,954,188	8,788,439
<b>Investment Gains, Net:</b>					
Realized gains	50,650,826			50,650,826	35,795,396
Unrealized gains	29,522,766			29,522,766	22,132,904
Investment gains, net	80,173,592			80,173,592	57,928,300
<b>Total Unrestricted Revenue and Investment Gains, Net</b>	<b>90,127,780</b>			<b>90,127,780</b>	<b>66,716,739</b>
<b>Expenses:</b>					
Program services-					
Grants	36,562,123			36,562,123	34,291,914
Program administration	7,171,366	2,968		7,174,334	6,604,065
Total program services	43,733,489	2,968		43,736,457	40,895,979
Management expenses-					
Investment management and custodial fees	1,804,044			1,804,044	1,624,921
Investment administration	1,840,545	443		1,840,988	1,751,884
Provision for federal taxes	1,647,939			1,647,939	1,226,492
Total management expenses	5,292,528	443		5,292,971	4,603,297
<b>Total Expenses</b>	<b>49,026,017</b>	<b>3,411</b>		<b>49,029,428</b>	<b>45,499,276</b>
<b>Change in Unrestricted Net Assets</b>	<b>41,101,763</b>	<b>(3,411)</b>		<b>41,098,352</b>	<b>21,217,463</b>
Equity contributions		5,087,771	(5,087,771)		
Unrestricted net assets, beginning of year	735,886,086			735,886,086	714,668,623
<b>Unrestricted Net Assets, End of Year</b>	<b>\$ 776,987,849</b>	<b>\$ 5,084,360</b>	<b>\$ (5,087,771)</b>	<b>\$ 776,984,438</b>	<b>\$ 735,886,086</b>

See independent auditor's report.