Community Foundation of Utah

Financial Statements
and
Accountant's Review Report

December 31, 2010

Community Foundation of Utah

Contents

Accountants' Review Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5

Haynie &
Company

Certified Public Accountants (a professional corporation)
1785 West Printers Row Salt Lake City, Utah 84119 (801) 972-4800 Fax (801) 972-8941

ACCOUNTANTS' REVIEW REPORT

To the Board of Directors and Shareholders
Community Foundation of Utah
Salt Lake City, Utah

We have reviewed the accompanying statement of financial position of **Community Foundation of Utah** as of December 31, 2010 and the related statements of activities, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there were no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Haynie & Co

Salt Lake City, Utah
January 31, 2011

IGAF WORLDWIDE An Association of Independent Member Firms

Associate Office At
5974 S. Fashion Pointe Dr. Suite 200
South Ogden, UT 84403
(801) 479-4800
Fax (801) 479-8941

Associate Office At
1221 West Mineral Avenue Suite 202
Littleton, CO 80120-4544
(303) 734-4800
Fax (303) 795-3356

Associate Office At
4910 Campus Drive
Newport Beach, CA 92660-2119
(949) 724-1880
Fax (949) 724-1889

Community Foundation of Utah

Statement of Financial Position

December 31		2010
Assets		
Cash and cash equivalents	$	236,299
Investments		1,418,463
Contributions and grants receivable		63,040
Total assets	$	1,717,802
Liabilities and net assets		
Liabilities		
Accounts payable and accrued liabilities	$	1,709
Agency funds		79,644
Total liabilities		81,353
Net assets		
Unrestricted		1,625,220
Temporarily restricted		11,229
Total net assets		1,636,449
Total liabilities and net assets	$	1,717,802

See Accountants' Review Report and accompanying notes to financial statements.

Community Foundation of Utah

Statement of Activities

For the year ended December 31, 2010

	Unrestricted	Temporarily Restricted	2010 Total
Revenues and support:			
Contributions	$ 1,551,539	$ 11,200	$ 1,562,739
Investment income, net of investment fees	3,623	29	3,652
Other income	28,380	-	28,380
Unrealized gains (losses) on investments	3,692	-	3,692
Total revenues and support	1,587,234	11,229	1,598,463
Expenses:			
Grants awarded	171,159	-	171,159
Operating expenses:			-
Program	104,236	-	104,236
General and administrative	20,658	-	20,658
Development	10,094	-	10,094
Total expenses	306,147	-	306,147
Change in net assets	1,281,087	11,229	1,292,316
Net assets, beginning of year	344,133	-	344,133
Net assets, end of year	$ 1,625,220	$ 11,229	$ 1,636,449

See Accountants' Review Report and accompanying notes to financial statements.

Community Foundation of Utah

Statement of Cash Flows

For the year ended December 31		2010
Cash flows from operating activities:		
Change in net assets	$	1,292,316
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions of stock and other assets		(557,125)
Realized and unrealized (gains) losses on investments		(3,692)
(Increase) decrease in operating assets:		
Contributions and grants receivable		(60,540)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses		(6,808)
Agency funds		74,642
Net cash provided by operating activities		738,793
Cash flows from investing activities:		
Purchase of investments		(649,526)
Net cash used by investing activities		(649,526)
Net change in cash and cash equivalents		89,267
Cash and equivalents, beginning of year		147,032
Cash and equivalents, end of year	$	236,299

See Accountants' Review Report and accompanying notes to financial statements.

Note 1 - Organization

Community Foundation of Utah ("Community Foundation") is a publicly supported, nonprofit public benefit corporation. The Community Foundation received its IRS exemption in March 2008. The Community Foundation serves as a partner and resource to nonprofits and citizens improving the quality of life in Utah and to those donors who want to give back locally and nationally.

The Community Foundation of Utah is a public, charitable organization whose mission is to harness Utah's entrepreneurial spirit in service to the common good. They help people gather assets and ideas that will serve Utah for good and forever. Their vision is to be a catalyst for philanthropy that is visionary, sustainable, and inclusive.

Note 2 - Significant accounting policies

Advised Funds - the Community Foundation offers several types of funds that enable donors to identify funding opportunities aligned with their values and charitable interests. Donor advised funds allow donors to recommend grant recipients, subject to the Community Foundation due diligence and approval. These funds may be advised by an individual, family, or committee of people who desire to pool their contributions toward a common purpose. Collectively these funds granted approximately $161,000 to charitable organizations during the year ended December 31, 2010.

Field of interest funds enable donors to identify a broad charitable purpose or a category of interest (e.g., arts, education, and human services) and/or geographic area or target population (e.g., senior citizens, children and youth, and immigrants).

Basis of accounting - The Community Foundation maintains its financial records on the accrual basis of accounting.

Cash and cash equivalents - For financial statement purposes, the Community Foundation considers all cash accounts, except those being held for investment purposes, and all highly liquid debt instruments purchased with a maturity of 90 days or less to be cash equivalents.

Management 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Significant accounting policies (continued)

Description of Net Assets - Net assets are classified based on existence or absence of donor-imposed restrictions as follows:

Unrestricted is defined as that portion of net assets that have no use or time restrictions, and for which the governing board has discretionary control. Accordingly, the Community Foundation classifies contributions, except as noted below, as unrestricted for financial statement presentation.

Temporarily restricted is defined as that portion of net assets that consist of a restriction on the specific use or the occurrence of a certain future event. Contributions unconditionally promised, which are scheduled to be received more than one year in the future, are classified as temporarily restricted until the funds are received and are discounted at a rate commensurate with the risks involved. The accumulation of assets, above historic gift value, in donor restricted endowment funds is classified as temporarily restricted until appropriated for use based on the Community Foundation's spending policy. The Community Foundation also receives grants from charitable foundations and local agencies for initiatives and special projects for which purpose restrictions apply. Such grants and contributions are recorded as temporarily restricted until the purpose restrictions are met. When the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Permanently restricted is defined as that portion of net assets consisting of the fair value of the gifts where the donor has specified that the assets donated are to be retained in an endowment, providing a permanent source of revenue for charitable purposes. The Community Foundation also records contributions to charitable trusts as permanently restricted where the donor has permanently restricted the corpus of the trust.

Fair Value Measurement - Investments are stated at fair value following the applicable requirements of U.S. generally accepted accounting principles. In general, fair values are determined by the most relevant available and observable valuation inputs and are classified into three levels. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Community Foundation's determination of assumptions market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

Note 2 - Significant accounting policies (continued)

Endowment Funds - Utah enacted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") in 2007. Accordingly, the Community Foundation reviews all relevant gift instruments and its organizing documents to identify funds with donor-imposed restrictions that are subject to the state enacted version of the UPMIFA.

In accordance with UPMIFA, the Community Foundation considers the following factors in making a determination as to the appropriation of assets for expenditure: 1) the duration and preservation of the fund, 2) the purposes of the organization and the donor-restricted endowment fund, 3) general economic conditions, 4) the possible effect of inflation and deflation, 5) the expected total return from income and the appreciation of investments, 6) other resources of the organization, and 7) the investment policies of the Community Foundation.

Financial and Investment Policies - The Community Foundation's financial objective is to provide the greatest level of support for current, as well as future, grant making and administrative needs while maintaining the purchasing power of the Foundation's charitable assets over time. Endowment funds are invested with a focus on diversification to help control risk, achieve long-term growth, offset inflationary impact, and allow for distributions and fees.

Spending Policy - The amount available annually for distribution from the Foundation's Endowment is set by the Board of Trustees and is reviewed annually by the Board under the advice of the Investment Committee. All or a portion of the payout amount may be reinvested. Additionally, Endowment Funds are charged a fee by the Community Foundation of Utah, assessed quarterly.

Concentrations of Risk - The Community Foundation recognizes there are inherent risks associated with non-publicly traded securities. Risk is managed through rigorous evaluation before an investment is made and regular communication with investment managers. The Community Foundation may also have risk associated with its concentration of investments in certain geographic areas and certain industries.

To address market risk of investments, the Community Foundation maintains a formal investment policy that sets out performance criteria, investment guidelines and requires review of the investment managers' performances. The Community Foundation has custody agreements with selected banks, which process disbursements at the direction of authorized staff.

Note 2 - Significant accounting policies (continued)

In addition, concentrations of market and credit risk exist for charitable remainder trusts as well as for cash equivalents. In the regular course of business, the Community Foundation may maintain operating cash balances at various banks in excess of federally insured limits. Management does not believe it is exposed to any significant credit risk on uninsured amounts.

Major Contributions - Two donors represented approximately 40% of total contributions for the year ended December 31, 2010.

Program Related Investments - In furtherance of their missions, the Community Foundation may occasionally make investments in below market rate loans or investment vehicles that the Boards have determined to provide a social benefit to the community.

Property and Equipment - Acquisitions and donations of property and equipment with a fair market value in excess of $5,000 are capitalized and depreciated using the straight-line method over the estimated useful lives of the assets ranging from three to thirty-nine years. Leasehold improvements are amortized using the straight-line method over the lesser of the assets' estimated useful lives or the term of the applicable lease.

Agency Funds - The Community Foundation accepts funds from unrelated nonprofit organizations who desire to have the Community Foundation provide efficient investment management, programmatic expertise, and technical assistance. A liability is recorded at the readily determinable estimated fair values of assets deposited with the Community Foundation by nonprofit organizations.

Grant Expense - Grants are recognized when all significant conditions are met, all due diligence has been completed, and they are approved by staff or board committee. Grants payable represent the present value of grants to be paid in the future.

Note 2 - Significant accounting policies (continued)

Contributions - Contributions are recognized as revenue when received or unconditionally promised. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of public stock are recorded at the mean of the quoted market price on the date of donation. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the original contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history and type of contribution.

Accounting Standards provide that if the governing body of an organization has the ability to remove a donor restriction (i.e., variance power), the contribution should be classified as an unrestricted net asset. To ensure tax deductibility of donors' gifts, the Foundation is required by the IRS to exercise final discretion concerning expenditures from its funds. Accordingly, all net assets and related activity over which the management of the Community Foundation exercises direct control are classified as unrestricted net assets in the accompanying financial statements.

However, if the donor has indicated a desire to support a particular area of interest or organization, Foundation management will designate the contribution for that use.

Allowance for Doubtful Accounts - The Community Foundation provides for amounts that may be uncollectible on grants and other receivables. Management estimates the amount based on a variety of factors which include, but are not necessarily limited to the ability of the debtor to pay, and historical trends.

Contributions-in-Kind - Significant donated property and equipment is recorded at estimated fair value at the date of receipt. Contributed services, which require a specialized skill and which the Community Foundation would have paid for if not contributed, are recorded at their estimated fair market value. For the years ended December 31, 2010, the Community Foundation recognized a total of approximately $3,600 of contributions-in-kind.

Functional Expense Allocations - Expenses which apply to more than one functional category have been allocated between program, management and general, and fundraising based on the time spent on these functions by specific employees as estimated by management. Indirect expenses, such as general office supplies are allocated based on the overall number of staff in the various functional categories. All other costs are charged directly to the appropriate functional category.

Note 2 - Significant accounting policies (continued)

Use of 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates

Income Taxes - The Community Foundation adopted the provisions of FASB Accounting Standards Codification ("ASC") 740-10, Income Taxes, relating to accounting for uncertain tax positions. The Community Foundation had no unrecognized tax benefits which would require an adjustment to the January 1, 2010, beginning balance of net assets and had no unrecognized tax benefits at December 31, 2010. The Community Foundation file exempt organization returns and, if applicable, unrelated business income tax returns in the U.S. federal and Utah jurisdictions.

Subsequent Events - Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued. The Community Foundation recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the financial position, including the estimates inherent in the process of preparing the financial statements. The Community Foundation's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated financial position but arose after the consolidated financial position date and before the consolidated financial statements are available to be issued.

The Community Foundation has evaluated subsequent events through January 31, 2011, which is the date the financial statements are available to be issued.

Note 3 - Investments

The Community Foundation's investments consisted of the following as of December 31:

	2010
Money market funds	$ 739,645
High-yield bonds	130,457
Intermediate bonds	128,276
Short-term investment bonds	68,815
Social index funds	5,215
ML Moderate growth	346,055
	$ 1,418,463

Note 3 - Investments (continued)

Fair Value Disclosures - Fair value is defined 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. A framework for measuring fair value prioritizes the use of observable market-based inputs over the use of unobservable inputs when measuring fair value. An investment's categorization is based upon the lowest level of input that is significant to the fair value measurement.

Three levels of inputs are used to measure fair value:

Level 1 – Quoted market prices (observable inputs) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Example: listed securities.

Level 2 – Observable inputs other than quoted prices included in Level 1 for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. Example: thinly traded securities.

Level 3 – Unobservable inputs for the asset or liability that are not corroborated by market data, and reflect the entity's assumptions for pricing the asset or liability. Example: private equity funds.

The following table sets forth by level, within the fair value hierarchy, the Local's assets at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3
Money market funds	$ 739,645	$ -	$ -
High-yield bonds	130,457	-	-
Intermediate bonds	128,276	-	-
Short-term investment bonds	68,815	-	-
Social index funds	5,215	-	-
ML Moderate growth	346,055	-	-
Total assets at fair value	$ 1,418,463	$ -	$ -

Note 3 - Investments (continued)

Fair market valuation of alternative investments is based on information provided by fund managers, external investment advisors, and other market factors to determine if the carrying value of these investments should be adjusted. Other factors may include, but are not limited to, estimates of liquidation value, prices of recent transactions in the same or similar funds, current performance, future expectations of the particular investment, and changes in market outlook and the financing environment. Independent appraisals of significant real estate held for investment, and not in limited partnerships, are conducted every three to five years, depending on the nature of the investment.

Note 4 - Contributions and grants receivable

Contributions and grants receivable consist of the following as of December 31, 2010:

	Less than one year	Greater than one year
Contributions receivable	**$ 63,040**	**$ -**
	$ 63,040	**$ -**

Note 5 - Unrestricted net assets

Unrestricted net assets consist of the following at December 31:

	2010
Board designated:	
Donor advised funds	**$ 1,445,197**
Field of interest funds	**52,517**
Scholarship funds	**3,448**
Undesignated	**124,058**
	$ 1,625,220

Note 6 - Endowment Disclosures

The Community Foundation is required to provide information about net assets which are defined as endowment. Classifications include endowment which is temporarily restricted by donors and endowment which has been board designated. The changes in endowment net assets for the year ended December 31, 2010 are as follows:

December 31,		**2009**
Endowment net assets, January 1, 2010	**$**	**-**
Contributions		**11,200**
Net depreciation (realized and unrealized)		**-**
Investment income		**29**
Appropriation of endowment assets for expenditure		**-**
Endowment net assets, December 31, 2010	**$**	**11,229**

Note 7 - Related party transactions

The Community Foundation's volunteer members of the Board of Directors are active in oversight of fundraising events, activities and in making private contributions. Contributions received from the Board of Directors or from companies with which the Board of Directors are affiliated were approximately $52,450 for the year ended December 31, 2010.

Note 8 - Transactions in funds held for agencies

At December 31, 2010, the Community Foundation held assets for five nonprofit organizations. The assets are held in funds that are managed by the Community Foundation on an agency relationship basis. The following table summarizes the activity in such funds during the year then ended.

		2010
Nonprofit funds, beginning of year	**$**	**5,000**
Amounts raised in contributions or transferred in		**73,054**
Dividend and interest income, net of fees		**1,306**
Realized and unrealized investment returns		**284**
Nonprofit funds, end of year	**$**	**79,644**