

# Community Foundation of Utah and Community Trust of Utah

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**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

*For the Years Ended December 31, 2018 and 2017*

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
TRUST OF UTAH**

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## Independent Auditor's Report

To the Board of Directors  
**Community Foundation of Utah and Community Trust of Utah**

We have audited the accompanying consolidated financial statements of the **Community Foundation of Utah and the Community Trust of Utah**, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, the statement of functional expenses for the year ended December 31, 2018 and summarized comparative information for the year ended December 31, 2017, 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 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.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the **Community Foundation of Utah and the Community Trust of Utah** as of December 31, 2018 and 2017, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplemental Schedules**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2018 and 2017 supplemental schedules on pages 25 through 28 are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. These schedules are the responsibility of management and were derived from and relate 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 audits 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.

### **Adoption of New Accounting Standard**

As explained in Note 1 to the consolidated financial statements, during the year ended December 31, 2018, the organization adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") 2016-14, *Not-for-profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

*Larsen & Company PC*

Salt Lake City, Utah  
November 18, 2019

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
TRUST OF UTAH**

Consolidated Statements of Financial Position  
As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 940,665	\$ 1,693,932
Accrued interest on notes receivable	92,527	84,360
Promises to give	-	529,359
Current portion of notes receivable	734,450	1,556,780
<b>Total current assets</b>	<b>1,767,642</b>	<b>3,864,431</b>
Investments	36,667,057	36,505,683
Financial assets, at cost	4,096,907	3,388,334
Land	3,100,000	-
Notes receivable, net of current portion	8,776,851	8,661,641
Other assets	695,000	-
Interest in variable life policy	242,375	264,058
<b>Total assets</b>	<b>\$ 55,345,832</b>	<b>\$ 52,684,147</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 21,037	\$ 78,743
Income taxes payable	107,388	60,396
<b>Total current liabilities</b>	<b>128,425</b>	<b>139,139</b>
Agency funds	244,000	265,866
<b>Total liabilities</b>	<b>372,425</b>	<b>405,005</b>
<b>Net assets</b>		
<b>Without donor restrictions</b>		
Board designated net assets	50,828,980	51,398,377
Board designated endowment	3,379,822	135,083
Undesignated net assets	694,605	675,682
<b>Total net assets without donor restrictions</b>	<b>54,903,407</b>	<b>52,209,142</b>
<b>With donor restrictions</b>	<b>70,000</b>	<b>70,000</b>
<b>Total net assets</b>	<b>54,973,407</b>	<b>52,279,142</b>
<b>Total liabilities and net assets</b>	<b>\$ 55,345,832</b>	<b>\$ 52,684,147</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
TRUST OF UTAH**

Consolidated Statements of Activities  
For the Years Ended December 31, 2018 and 2017

	2018	2017
<b>Changes in net assets without donor restrictions</b>		
<b>Support, revenues and losses</b>		
Contributions	\$ 9,355,402	\$ 13,770,437
Contributions of financial assets	2,000,000	9,366,666
Contribution of land	3,100,000	-
Contribution of other assets	695,000	-
Contribution of note receivable	450,000	1,280,000
Return on investments, net of fees	(1,508,801)	2,826,172
Impairment loss	(50,000)	-
Other income	3,655	172,044
	14,045,256	27,415,319
<b>Release of restrictions</b>	70,000	70,000
Total support, revenues, losses and release of restrictions	14,115,256	27,485,319
<b>Expenses</b>		
<b>Program services</b>		
Community grants awarded	10,618,995	12,592,082
Other program services	336,897	385,909
	10,955,892	12,977,991
<b>Supporting services</b>		
Management and general	248,016	220,831
Fundraising and development	66,956	82,023
	314,972	302,854
Total functional expenses	11,270,864	13,280,845
<b>Unrelated business income tax</b>	150,127	60,396
Total expenses	11,420,991	13,341,241
Increase in net assets without donor restrictions	2,694,265	14,144,078
<b>Changes in net assets with donor restrictions</b>		
Contributions	70,000	70,000
Release of restrictions	(70,000)	(70,000)
	-	-
<b>Change in net assets</b>	2,694,265	14,144,078
<b>Net assets, beginning of year</b>	52,279,142	38,135,064
<b>Net assets, end of year</b>	\$ 54,973,407	\$ 52,279,142

The accompanying notes to the consolidated financial statements are an integral part of these statements

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
TRUST OF UTAH**

Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2018

	Program services		Supporting services		Totals	
	Community grants awarded	Other program services	Management and general	Fundraising and development	2018	2017
Compensation of current officers, directors, trustees, and key employees	\$ -	\$ 58,941	\$ 36,048	\$ 29,470	\$ 124,459	\$ 101,496
Other salaries and wages	-	87,235	73,843	20,349	181,427	130,507
Employer 403(b) contributions	-	-	6,457	-	6,457	4,771
Other employee benefits	-	-	8,041	-	8,041	7,113
Payroll taxes	-	14,932	7,903	3,811	26,646	19,574
<b>Total salaries and related expenses</b>	-	<b>161,108</b>	<b>132,292</b>	<b>53,630</b>	<b>347,030</b>	263,461
Grants	<b>10,618,995</b>	-	-	-	<b>10,618,995</b>	12,592,082
Legal	-	19,099	29,330	2,387	50,816	37,316
Accounting	-	-	40,664	-	40,664	38,335
Other	-	21,489	36,524	2,686	60,699	181,941
Marketing and promotion	-	1,567	196	196	1,959	2,379
Office expenses	-	10,128	2,338	1,385	13,851	12,995
Information technology	-	8,351	1,044	1,044	10,439	5,709
Occupancy	-	25,735	3,217	3,217	32,169	31,231
Travel	-	6,226	778	778	7,782	2,020
Conferences, conventions, and meetings	-	61,548	-	-	61,548	32,284
Insurance	-	4,606	576	576	5,758	1,991
Cultivation program	-	5,331	-	-	5,331	72,126
Membership dues	-	6,074	759	759	7,592	7,103
Donor relations	-	3,248	-	-	3,248	2,620
All other expenses	-	2,387	298	298	2,983	(2,748)
<b>Total functional expenses</b>	<b>\$10,618,995</b>	<b>\$ 336,897</b>	<b>\$ 248,016</b>	<b>\$ 66,956</b>	<b>\$11,270,864</b>	<b>\$13,280,845</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
TRUST OF UTAH**

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

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,694,265	\$ 14,144,078
<b>Adjustment to reconcile change in net assets to net cash flows from operating activities</b>		
Unrealized (gains) losses on investments	3,491,066	(1,559,879)
Net realized gains on investments	(677,457)	(601,713)
Impairment loss	50,000	-
Contributions of financial assets, at cost	(2,000,000)	(9,366,666)
Contribution of land	(3,100,000)	-
Contribution of other assets	(695,000)	-
Contribution of note receivable	(450,000)	(1,280,000)
<b>(Increase) decrease in operating assets</b>		
Accrued interest on notes receivable	(8,167)	(84,360)
Prepays	-	11,500
Promises to give	529,359	3,520,641
Interest in variable life policy	21,683	(31,843)
<b>Increase (decrease) in operating liabilities</b>		
Accounts payable and accrued liabilities	(57,706)	67,205
Income taxes payable	46,992	10,206
Agency funds	(21,866)	(9,976,055)
<b>Net cash flows from operating activities</b>	<b>(176,831)</b>	<b>(5,146,886)</b>
<b>Cash flows from investing activities</b>		
Issuance of notes receivable	(400,000)	(50,000)
Cash paid for purchase of financial assets, at cost	(30,000)	-
Proceeds from sale of financial assets, at cost	109,905	500,000
Payments on notes receivable	1,557,120	954,245
Proceeds from sale of investment securities	24,342,582	17,018,552
Cash paid for purchase of investments	(26,156,043)	(22,344,728)
<b>Net cash flows from investing activities</b>	<b>(576,436)</b>	<b>(3,921,931)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(753,267)</b>	<b>(9,068,817)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,693,932</b>	<b>10,762,749</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 940,665</b>	<b>\$ 1,693,932</b>
<b>Supplemental disclosures</b>		
Interest paid	<b>\$ 5,671</b>	<b>\$ 3,707</b>
Income taxes paid	<b>\$ 98,616</b>	<b>\$ 48,916</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements

# COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Operations

The Community Foundation of Utah (the "Foundation") is a publicly supported 501(c)(3) nonprofit public benefit corporation. It received its IRS exemption in March of 2008. The 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 Foundation's mission is to harness Utah's entrepreneurial spirit in service to the common good. The Foundation helps people gather assets and ideas that will serve the state of Utah. Its vision is to be a catalyst for philanthropy that is visionary, sustainable, and inclusive.

In November of 2017, the Community Trust of Utah (the "Trust") was established with the Foundation as grantor and certain members of the Board of the Foundation as trustees. The Trust is a 501(c)(3) organization formed to benefit, perform the functions of, and carry out the charitable purposes of the Foundation. There was no activity in the trust until the year ended December 31, 2018.

In addition, an ownership interest in Candide Charitable Enterprise, LLC ("Candide") was assigned to the Foundation as of November 16, 2018 by a donor (the "Assignor"). Candide is a single member Utah limited liability company and was operated as a charitable program of the Assignor as part of a donor advised fund.

### Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation, Trust, and Candide, which are affiliated by virtue of economic interest and common control. All intercompany accounts and transactions between the Foundation, the Trust and Candide (collectively the "Organization") have been eliminated.

### Advised Funds

The Organization offers several types of funds that enable donors to identify funding opportunities aligned with their values and charitable interests. These are called donor advised funds and are reported in net assets without donor restrictions as board designated net assets. When donors transfer their funds to the Organization they specifically grant variance power to the Organization. Donors may recommend grant recipients, but they are subject to the Organization's 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.

Field of interest funds enable donors to identify a broad charitable purpose or category of interest (e.g. women and girls, impact investing, LGBTQ philanthropy, and the environment) and/or geographic area or target population (e.g., Housing and Homelessness, and K through 12 Computer Science Education).

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
TRUST OF UTAH**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Adoption of New Accounting Standard**

During the year ended December 31, 2018, the Organization adopted the Accounting Standards Update (ASU) ASU-2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU has been applied retrospectively to all periods presented.

The adoption of the ASU resulted in presenting net assets according to the new classifications described in the “Basis of Presentation” section below, added disclosures regarding the liquidity and availability of the Organization’s financial assets (Note 2) and the addition of a statement of functional expenses for the year ended December 31, 2018 with summarized comparative totals for the year ended December 31, 2017.

**Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with ASU-2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statement for Not-for-Profit Entities*. The standard requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

**Net assets with donor restrictions** - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where-by the donor has stipulated the funds be maintained in perpetuity.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents were made up of depository accounts for the years ended December 31, 2018 and 2017.

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
TRUST OF UTAH**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Promises to Give**

Promises to give represent unconditional promises to give to the Organization and are recorded at their fair value at date of gift. Promises due later than one year are recorded at the present value of estimated cash flows using imputed discount rates applicable to the year the promise is received. The discount is amortized over the years the promise is paid.

**Investment Policies**

The Board of the Organization has adopted written investment policies with the objective 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 Organization's charitable assets over time. The board designated net assets and 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.

**Investments**

Investments are initially recorded at their acquisition cost if purchased and at estimated fair value on the date of donation if they were received as a contribution. Subsequent to acquisition, all debt and equity securities are valued and reported at their readily determinable fair values. Realized and unrealized gains and losses are included in the statement of activities. Investment purchases and sales are recorded based on their settlement dates.

The Organization has financial assets carried at cost which have been received from donors and are invested in alternative investments. See further information regarding these financial assets in Note 5.

In furtherance of its mission, the Organization may occasionally make investments in companies, below market rate loans, or investment vehicles that the Board has determined provide a social benefit to the community.

**Property and Equipment**

Acquisitions and donations of property and equipment with a fair 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 lives or the term of the applicable lease. No depreciable property and equipment was held as of December 31, 2018 and 2017.

**Agency Funds**

The Organization accepts funds from unrelated nonprofit organizations who desire to have the Organization provide efficient investment management. A liability is recorded at the readily determinable estimated fair values of assets deposited with the Organization by nonprofit organizations.

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
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Notes to the Consolidated Financial Statements  
For the Years Ended December 31, 2018 and 2017

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions**

Contributions are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of donor restrictions. All net assets without donor restrictions are considered to be available for use in the accounting period when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increase in net assets with donor restrictions. When a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as an increase in net assets without donor restrictions. Any restricted funds remaining at year-end are classified as net assets with donor restrictions.

**Contributions In-kind**

Significant donated investments and property are recorded at estimated fair value at the date of receipt. Contributed services, which require a specialized skill and which the Organization would have paid for if not contributed, are recorded at their estimated fair market value. For the years ended December 31, 2018 and 2017, the Organization did not recognize any contributed services.

**Community Grants Awarded**

Grants are awarded when all significant conditions are met, all due diligence has been completed, and they are approved by the staff and the Board or a committee of the Board.

**Functional Expense Allocations**

Expenses which apply to more than one functional category have been allocated between program services and supporting services based on the time spent on these functions by specific employees as estimated by management. Indirect expenses 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.

**Marketing Costs**

Marketing costs are charged to operations when incurred. Marketing expense was **\$1,959** and \$2,379 for the years ended December 31, 2018 and 2017, respectively.

**Income Taxes**

The Foundation and the Trust are both organized as Utah nonprofit corporations and have been recognized by the IRS as exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. Candide was organized as a single-member LLC and is considered to be a disregarded entity for tax purposes.

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
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Notes to the Consolidated Financial Statements  
For the Years Ended December 31, 2018 and 2017

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes (Continued)**

The Foundation and the Trust are required to file an annual Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, both are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization has determined there was unrelated business income tax due as of December 31, 2018 and 2017. Taxes due as of December 31, 2018 and 2017, respectively, were **\$107,388** and \$60,396, which included **\$85,684** and \$50,454 of federal taxes, **\$244** and \$1,326 of federal underpayment penalty, and **\$21,460** and \$8,616 of state income taxes.

ASC Topic 740, *Income Taxes*, provides guidance on how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation by management of tax positions taken or expected to be taken in preparation of the Foundation and the Trust's tax returns to determine if the positions are more-likely-than-not of being sustained if examined by the taxing authorities. Management has determined there are no uncertain income tax positions. Tax years that remain subject to examination are 2015 forward.

**Concentration of Credit and Market Risk**

The Organization maintains its cash balances in bank accounts, which at times may exceed their federally insured limits of \$250,000 set by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk on these balances.

The Organization also maintains accounts with stock brokerage firms. The accounts contain cash, securities, and other investments. The Organization's investments in securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with these investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated financial statements.

To address market risk of investments, the Organization maintains a formal investment policy that sets out performance criteria, investment guidelines and requires review of performance by the Finance and Compliance Committee. The Organization has custody agreements with selected banks that process disbursements at the direction of authorized management.

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

# COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

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

## 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Organization also has a concentration in notes receivable. On December 31, 2018, 91% of the balance was due from one company. On December 31, 2017, 87% of the balance was due from one company and 12% due from another company. Management does not believe it is exposed to any significant credit risk on these balances.

### **Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on total assets, liabilities, revenues, expenses or the change in net assets.

### **New Accounting Pronouncements**

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 (“ASU 2014-09”), an update to FASB ASC 606, *Revenue from Contracts with Customers*. This update revises previous revenue recognition standards to improve guidance on revenue recognition requirements. Under the new standard, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The new standard will be effective for periods beginning after December 15, 2018. The adoption of this standard is not expected to have a material impact on the consolidated financial statements of the Organization.

In January of 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall*, which requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. An entity may choose, however, to measure equity investments that do not have readily determinable fair values at cost minus impairment. The amendment also introduced other items, such as eliminating disclosure of fair value for investments recorded at amortized cost, simplifying impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment, and requiring separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or the accompanying notes the financial statements. Any adjustment at adoption will be made by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The Organization is in the process of evaluating the impact this standard will have on its financial statements.

In March of 2016, the FASB issued ASU 2016-02, *Leases*, which requires all leases that have a term of more than 12 months to be recognized as assets and liabilities on the balance sheet at inception. A lessee would recognize a lease liability to make lease payments owed to a lessor (liability) and a benefit for the right to use the leased asset (asset) for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee would depend on whether the lessee is expected to consume more than an insignificant portion of the economic benefits embedded in the underlying asset. This new guidance is effective for fiscal years beginning after December 15, 2020.

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
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Notes to the Consolidated Financial Statements  
For the Years Ended December 31, 2018 and 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**New Accounting Pronouncements (Continued)**

In June of 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The purpose of this update is to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. The amendments in this update provide a more robust framework for determining whether a transaction should be accounted for as a contribution or an exchange transaction. The update further clarifies how a not-for-profit organization determines if it is participating in an exchange transaction. The improved guidance could result in more grants and contracts being accounted for as contributions than in current practice. The update is effective for fiscal years beginning after December 15, 2018, with an effective date of fiscal years beginning after June 15, 2018, for an organization that has issued or is a bond obligor for securities that are traded, listed or quoted on an exchange or over-the-counter market. Management is evaluating the impact of the update on the Organization's financial reporting and determining the appropriate time to implement this pronouncement.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. As part of the FASB's disclosure framework project, it has eliminated, amended and added disclosure requirements for fair value measurements. Entities will no longer be required to disclose the amount of, and reasons for, transfers between Level 1 and Level 2 of the fair value hierarchy, the policy of timing of transfers between levels of the fair value hierarchy and the valuation processes for Level 3 fair value measurements. Public companies will be required to disclose the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements. This update is effective for periods beginning after December 15, 2019. Early adoption is permitted as of the beginning of any interim or annual reporting period. The Organization does not believe it will materially impact the disclosures.

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
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**2. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 940,665	\$ 1,693,932
Current portion of notes receivable	<u>734,450</u>	<u>1,556,780</u>
Total current financial assets	<b>1,675,115</b>	3,250,712
Less:		
Accounts payable and accrued liabilities	(21,037)	(78,743)
Income taxes payable	(107,388)	(60,396)
Donor cash and cash equivalents	(766,254)	(911,794)
Donor notes receivable	(734,450)	(1,556,780)
Plus:		
Long-term investments accessible for administration purposes	<u>601,213</u>	<u>1,114</u>
<b>Financial assets available to meet general expenditures within one year</b>	<b><u>\$ 647,199</u></b>	<b><u>\$ 644,113</u></b>

As part of the Organization's liquidity management plan, the Organization invests cash in excess of monthly operating requirements in short term investments.

Long-term investments held in donor advised funds are typically held for appreciation until drawn upon to make grant disbursements. The direction of these funds generally follows the wishes of the original donor and amounts to be disbursed are determined annually. As disclosed in Note 3, long-term investments totaled \$36,667,057 and \$36,505,683 as of December 31, 2018 and 2017, respectively. Grants made from these accounts totaled \$10,618,995 and \$12,592,082 for the years ended December 31, 2018 and 2017, respectively.

**3. INVESTMENTS**

Investments consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 4,749,098	\$ 7,195,599
Stocks	1,955,109	1,916,580
Money market funds	512,425	2,825,000
Mutual funds	26,358,003	22,950,592
Bond funds	1,731,708	1,609,915
Other investments	<u>1,360,714</u>	<u>7,997</u>
<b>Total investments</b>	<b><u>\$ 36,667,057</u></b>	<b><u>\$ 36,505,683</u></b>

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Notes to the Consolidated Financial Statements  
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**3. INVESTMENTS (Continued)**

Investment returns consist of the following for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 1,456,546	\$ 783,242
Net unrealized gains (losses)	(3,491,066)	1,559,879
Net realized gains	677,457	601,713
Management fees	(151,738)	(118,662)
<b>Total investment income</b>	<b>\$ (1,508,801)</b>	<b>\$ 2,826,172</b>

**4. FAIR VALUE MEASUREMENTS**

The Organization's financial instruments consist of investments as of December 31, 2018 and 2017. The recorded value of the instruments approximates fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various valuation approaches. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

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**4. FAIR VALUE MEASUREMENTS (Continued)**

Investment assets measured at fair value on a recurring basis as of December 31, 2018 and 2017 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>December 31, 2018</b>				
Stocks	\$ 1,955,109	\$ -	\$ -	\$ 1,955,109
Money market funds	512,425	-	-	512,425
Mutual funds	26,358,003	-	-	26,358,003
Bond funds	1,731,708	-	-	1,731,708
Other investments	3,193	-	1,357,521	1,360,714
Total	<u>\$ 30,560,438</u>	<u>\$ -</u>	<u>\$ 1,357,521</u>	<u>\$ 31,917,959</u>
<b>December 31, 2017</b>				
Stocks	\$ 1,916,580	\$ -	\$ -	\$ 1,916,580
Money market funds	2,825,000	-	-	2,825,000
Mutual funds	22,950,592	-	-	22,950,592
Bond funds	1,609,915	-	-	1,609,915
Other investments	7,997	-	-	7,997
Total	<u>\$ 29,310,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,310,084</u>

The following tables summarize the change in the balance of the Organization's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3). There were no liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2017.

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ -	\$ -
Transfers into Level 3	1,161,522	-
Total gains	384,119	-
Total losses	(510,774)	-
Purchases	322,654	-
Balance, end of year	<u>\$ 1,357,521</u>	<u>\$ -</u>

**5. FINANCIAL ASSETS CARRIED AT COST**

The Organization manages amounts as directed by certain donors which are invested in alternative investments. These investments do not have a quoted price in an active market, nor do they have readily determinable fair values and are measured at their original cost. Management performed an evaluation on each alternative investment as of December 31, 2018 and 2017, and based on events, changes in circumstances, or objective evidence recognized **\$50,000** and \$0 in impairment losses for the years ended December 31, 2018 and 2017, respectively.

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**5. FINANCIAL ASSETS CARRIED AT COST (Continued)**

The Organization received donations of membership units and common stock from unrelated partnerships and third parties that are accounted for using the cost method.

A summary of the financial assets carried at cost is as follows as of December 31, 2018 and 2017:

	2018	2017
Membership units and common stock	\$ 3,724,137	\$ 1,724,137
Alternative investments	372,770	1,664,197
Total financial assets carried at cost	\$ 4,096,907	\$ 3,388,334

**6. NOTES RECEIVABLE**

Until November 1, 2014, the Organization was named as an irrevocable vested beneficiary in one charitable remainder trust ("CRT"). On November 1, 2014, the original donor of the CRT elected to repurchase the CRT's contributed interests from the Organization. The donor agreed to pay \$315,041 which was received in the form of cash during December 2014. In addition, the donor entered into a promissory note agreement in the amount of \$2,835,369. As a result of this transaction, the CRT asset was transferred back to the donor and the net assets related to this transaction were released from net assets with donor restrictions to net assets without donor restrictions.

The note bears interest at an annual rate of .34 of 1% and accrues daily on the outstanding principal balance. The balance will be paid in three equal annual installments of principal along with accrued interest on October 15<sup>th</sup> of each year. The entire unpaid principal balance, together with accrued interest and any other unpaid charges or fees, was due and payable on the maturity date of October 15, 2017. The note was paid-in-full during the year ended December 31, 2017.

In 2015, the Organization made a loan for charitable purposes to an unrelated nonprofit organization in the amount of \$40,000. The note receivable bears interest at a rate of 0% per annum and requires monthly payments in the amount of \$702. The note matures on August 31, 2020. As of December 31, 2018 and 2017, the balance on this note was **\$14,036** and \$21,755, respectively.

In 2017, the Organization made a loan for charitable purposes to an unrelated nonprofit organization in the amount of \$50,000. The note receivable bears interest at a rate of 0% per annum and requires monthly payments in the amount of \$1,042. The note matures on February 6, 2022. As of December 31, 2018 and 2017, the balance on this note was **\$37,500** and \$50,000, respectively.

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**6. NOTES RECEIVABLE (Continued)**

In 2017, the Organization made a loan to an unrelated party in the amount of \$8,866,666 in exchange for 33 1/3 percent of the class D shares of an unrelated LLC. The note receivable bears interest at a rate of 2.58% per annum and requires annual payments in the amount of \$485,661. The note matures on September 1, 2042. The note is secured by the class D shares noted above. As of December 31, 2018 and 2017, the balance on this note was **\$8,609,765** and \$8,866,666, respectively.

In 2017, the Organization entered into a promissory note agreement with an unrelated party in the amount of \$1,280,000. The note receivable bears interest at a rate of 3.00% per annum and is collateralized by real property mentioned in the agreement. The agreement specifies that each time one of the properties mentioned is sold, \$80,000 is to be paid to the Organization. As of December 31, 2018 and 2017, the balance on this note was **\$0** and \$1,280,000, respectively.

In 2018, the Organization was gifted a promissory note with an unrelated party in the amount of \$450,000. The note bears interest at a rate of 1.48% per annum and requires annual payments of \$116,693, is collateralized by real property mentioned in the agreement, and matures on March 24, 2021. As of December 31, 2018, the balance on this note was **\$450,000**.

In 2018, the Organization entered into an unsecured surplus cash note with an unrelated party in the amount of \$150,000. The note receivable bears interest at a rate of 0% per annum and is due at maturity on May 1, 2062. As of December 31, 2018, the balance on this note was **\$150,000**.

In 2018, the Organization entered into an unsecured promissory note with an unrelated party in the amount of \$250,000. The note receivable bears interest at a rate of 0% per annum and is due at maturity on December 31, 2036. As of December 31, 2018 and 2017, the balance on this note was **\$250,000**.

As of December 31, 2018, future maturities of the notes receivable are as follows:

For the years ended December 31,	
2019	\$ 734,450
2020	288,443
2021	289,803
2022	284,457
2023	291,796
Thereafter	<u>7,622,352</u>
Total notes receivable	9,511,301
Less current portion	<u>(734,450)</u>
Notes receivable, net of current portion	<u><u>\$ 8,776,851</u></u>

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**7. VARIABLE LIFE POLICY AND OTHER ASSETS**

The Organization has been named as a beneficiary of a variable life insurance policy. The policy includes a death benefit in the amount of \$1,250,000 with a non-guaranteed 8% annual return on the death benefit. The future death benefit represents an economic benefit that the Organization does not control, and accordingly, this amount has not been recorded in the accompanying financial statements. The death benefit will remain in force until the death of the donor at which time the Organization will receive the proceeds from the policy. The policy also has a cash surrender accumulated value of **\$242,375** and \$264,058 as of December 31, 2018 and 2017, respectively, which is included in other assets in the accompanying statements of financial position.

**8. AGENCY FUNDS HELD BY THE ORGANIZATION**

At December 31, 2018 and 2017, the Organization held investment balances of **\$253,183** and \$258,079, respectively, for 17 nonprofit entities; and held **\$12,687** and \$7,787 in funds, transferred to the Organization by donors, which are designated for other nonprofit entities.

The assets held for nonprofits are invested in funds that are managed by the Organization on an agency relationship basis. The following summarizes the activity in these funds for the years ended December 31, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Agency funds		
Nonprofit funds, beginning of the year	\$ 265,866	\$ 234,251
Dividend and interest income, net of fees	10,149	4,486
Realized and unrealized investment returns	<u>(22,832)</u>	<u>19,342</u>
Nonprofit funds, end of year	253,183	258,079
Grants designated for other organizations	(10,183)	-
Contributions designated for other organizations	<u>1,000</u>	<u>7,787</u>
Total agency funds	<u>\$ 244,000</u>	<u>\$ 265,866</u>

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**9. BOARD DESIGNATED NET ASSETS**

A majority of the net assets without donor restrictions as of December 31, 2018 and 2017 have been designated by the Organization’s Board of Directors to be used for specific programs as follows:

	2018	2017
<b>Board-designated net assets</b>		
Donor advised funds	\$ 49,022,789	\$ 49,099,818
Field of interest funds	909,850	989,641
Unrestricted program fund	102,722	125,174
Scholarship funds	148,599	132,637
Fiscal sponsorship funds	80,091	439,638
Corporate advised funds	62,778	51,472
Emergency assistance funds	5,724	5,793
Designated funds	496,427	554,204
<b>Total</b>	<b>\$ 50,828,980</b>	<b>\$ 51,398,377</b>

**10. BOARD DESIGNATED ENDOWMENT**

Utah enacted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) in 2007. Accordingly, the Organization reviews all relevant gift instruments and 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 Organization 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 donor-restricted endowment fund, 3) general economic conditions, 4) the possible effect of inflation and deflation, 5) the expected total return from income and appreciation of investments, 6) other resources of the Organization, and 7) the investment policies of the Organization.

Per the Organization’s Spending Policy, the amount available annually for the distribution from the Organization’s endowment fund is set by the Board of Directors and is reviewed annually by the Board under the advice of the Finance and Compliance Committee. All or a portion of the payout amount may be reinvested. Additionally, endowment funds are charged a fee by the Organization, which is assessed monthly.

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Notes to the Consolidated Financial Statements  
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**10. BOARD DESIGNATED ENDOWMENT (Continued)**

The changes in endowment net assets are as follows for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Endowment net assets, January 1	\$ 135,083	\$ 114,420
Contributions	79,553	8,303
Additions through board designations	3,172,616	-
Program expense	(1,466)	(2)
Investment income, net of investment fees	3,770	3,335
Unrealized gains on investments	(9,734)	9,027
<b>Total endowment net assets, December 31</b>	<b>\$ 3,379,822</b>	<b>\$ 135,083</b>

**11. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of one award for \$70,000 for the purpose of providing capacity building training called Invest in Success for Rural Utah.

**12. EMPLOYEE BENEFIT PLAN**

The Organization sponsors a 403(b)(7) Plan (the "Plan") for eligible employees. All full-time employees of the Organization are eligible to participate in the Plan. The Organization contributes to the Plan up to 3% of compensation. Participants are immediately vested in both their elective deferral, plus actual earnings thereon, and the Organization matching contributions. The Organization has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. The Organization's total 403(b)(7) contributions for the years ended December 31, 2018 and 2017 were **\$9,243** and \$7,506, respectively.

**13. COMMITMENTS**

Beginning September 15, 2015, the Organization entered into a lease agreement for office space. The lease expires October 1, 2020. Rent expense was **\$32,169** and \$31,231 for the years ended December 31, 2018 and 2017, respectively. Future minimum lease payments are as follows:

For the years ending December 31,		
2019	\$	33,051
2020		28,228
Thereafter		-
<b>Total</b>	<b>\$</b>	<b>61,279</b>

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY  
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**13. COMMITMENTS (Continued)**

As described in Note 1, during 2018, the Organization was assigned ownership of Candide Charitable Enterprise, LLC. Candide is the lessor for a piece of real property in Utah County, Utah being used for the farming of produce. The lease expires December 31, 2022. Under this agreement, the lessee has agreed to transfer a minimum amount of produce to one or more charities identified by Candide at least annually.

**14. RELATED PARTY TRANSACTIONS**

The members of the Organization's Board of Directors are active in the oversight of fundraising events, activities and providing monetary support. Contributions received from members of the Board or from companies with which the Board members are affiliated were approximately **\$3,600** and \$1,100, respectively, for the years ended December 31, 2018 and 2017. Members of the Board also contributed approximately **\$621,470** and \$25,525, respectively, to related donor advised funds for the years ended December 31, 2018 and 2017.

SLCO PFS 1, Inc. (the "SPV") is a Utah-based nonprofit organization operated exclusively for Salt Lake County's Pay for Success program. The SPV received approval to operate as a 501(c)(3) entity on January 22, 2016. The Organization provides office space and administrative support for the SPV. During the years ended December 31, 2018 and 2017, the SPV paid the Organization a total of **\$55,179** and \$40,600, respectively, for rent and administrative support. As of December 31, 2018 and 2017, there were no amounts due to or due from the SPV.

**15. SUBSEQUENT EVENTS**

Subsequent events have been considered through November 18, 2019, which is the date the financial statements were available to be issued. No events have occurred subsequent to December 31, 2018, which would have a material effect on the financial condition of the Organization.

## **SUPPLEMENTAL SCHEDULES**

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH**  
**Supplemental Schedule I**  
**Consolidating Statement of Financial Position by Department**  
**As of December 31, 2018**

	Community Foundation			Community Trust			Elimination entries	Consolidated total
	Administration	Donors	Total	Administration	Donors	Total		
<b><u>ASSETS</u></b>								
<b>Current assets:</b>								
Cash and cash equivalents	\$ 165,174	\$ 321,214	\$ 486,388	\$ 9,237	\$ 445,040	\$ 454,277	\$ -	\$ 940,665
Accounts receivable, net	28,778	-	28,778	-	-	-	(28,778)	-
Accrued interest on notes receivable	-	92,527	92,527	-	-	-	-	92,527
Current portion of notes receivable	-	734,450	734,450	-	-	-	-	734,450
<b>Total current assets</b>	<b>193,952</b>	<b>1,148,191</b>	<b>1,342,143</b>	<b>9,237</b>	<b>445,040</b>	<b>454,277</b>	<b>(28,778)</b>	<b>1,767,642</b>
Investments	601,213	36,065,844	36,667,057	-	-	-	-	36,667,057
Financial assets carried at cost	-	4,096,907	4,096,907	-	-	-	-	4,096,907
Land	-	3,100,000	3,100,000	-	-	-	-	3,100,000
Notes receivable, net of current portion	-	8,776,851	8,776,851	-	-	-	-	8,776,851
Other assets	-	695,000	695,000	-	-	-	-	695,000
Interest in variable life policy	-	242,375	242,375	-	-	-	-	242,375
<b>Total assets</b>	<b>\$ 795,165</b>	<b>\$ 54,125,168</b>	<b>\$ 54,920,333</b>	<b>\$ 9,237</b>	<b>\$ 445,040</b>	<b>\$ 454,277</b>	<b>\$ (28,778)</b>	<b>\$ 55,345,832</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>								
<b>Current liabilities:</b>								
Accounts payable and accrued liabilities	\$ 15,134	\$ 31,541	\$ 46,675	\$ 2,528	\$ 612	\$ 3,140	\$ (28,778)	\$ 21,037
Income taxes payable	-	-	-	-	107,388	107,388	-	107,388
<b>Total current liabilities</b>	<b>15,134</b>	<b>31,541</b>	<b>46,675</b>	<b>2,528</b>	<b>108,000</b>	<b>110,528</b>	<b>(28,778)</b>	<b>128,425</b>
Agency funds	22,135	221,865	244,000	-	-	-	-	244,000
<b>Total liabilities</b>	<b>37,269</b>	<b>253,406</b>	<b>290,675</b>	<b>2,528</b>	<b>108,000</b>	<b>110,528</b>	<b>(28,778)</b>	<b>372,425</b>
<b>Net assets:</b>								
<b>Without donor restrictions</b>								
Board designated net assets	-	50,491,940	50,491,940	-	337,040	337,040	-	50,828,980
Board designated endowment	-	3,379,822	3,379,822	-	-	-	-	3,379,822
Undesignated net assets	687,896	-	687,896	6,709	-	6,709	-	694,605
<b>Total without donor restrictions</b>	<b>687,896</b>	<b>53,871,762</b>	<b>54,559,658</b>	<b>6,709</b>	<b>337,040</b>	<b>343,749</b>	<b>-</b>	<b>54,903,407</b>
<b>With donor restrictions</b>	<b>70,000</b>	<b>-</b>	<b>70,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,000</b>
<b>Total net assets</b>	<b>757,896</b>	<b>53,871,762</b>	<b>54,629,658</b>	<b>6,709</b>	<b>337,040</b>	<b>343,749</b>	<b>-</b>	<b>54,973,407</b>
<b>Total liabilities and net assets</b>	<b>\$ 795,165</b>	<b>\$ 54,125,168</b>	<b>\$ 54,920,333</b>	<b>\$ 9,237</b>	<b>\$ 445,040</b>	<b>\$ 454,277</b>	<b>\$ (28,778)</b>	<b>\$ 55,345,832</b>

See independent auditor's report

**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH**  
Supplemental Schedule II  
Consolidating Statement of Financial Position by Department  
As of December 31, 2017

<u>ASSETS</u>	Community Foundation		Total
	Administration	Donors	
<b>Current assets:</b>			
Cash and cash equivalents	\$ 782,138	\$ 911,794	\$ 1,693,932
Accrued interest on notes receivable	-	84,360	84,360
Promises to give	-	529,359	529,359
Current portion of notes receivable	-	1,556,780	1,556,780
<b>Total current assets</b>	<u>782,138</u>	<u>3,082,293</u>	<u>3,864,431</u>
Investments	1,114	36,504,569	36,505,683
Financial assets carried at cost	-	3,388,334	3,388,334
Notes receivables, net of current portion	-	8,661,641	8,661,641
Interest in variable life policy	-	264,058	264,058
	<u>1,114</u>	<u>48,818,602</u>	<u>48,819,716</u>
<b>Total assets</b>	<u>\$ 783,252</u>	<u>\$ 51,900,895</u>	<u>\$ 52,684,147</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 15,435	\$ 63,308	\$ 78,743
Income taxes payable	-	60,396	60,396
<b>Total current liabilities</b>	<u>15,435</u>	<u>123,704</u>	<u>139,139</u>
Agency funds	<u>22,135</u>	<u>243,731</u>	<u>265,866</u>
<b>Total liabilities</b>	<u>37,570</u>	<u>367,435</u>	<u>405,005</u>
<b>Net assets:</b>			
<b>Without donor restrictions</b>			
Board designated net assets	-	51,398,377	51,398,377
Board designated endowment	-	135,083	135,083
Undesignated net assets	<u>675,682</u>	<u>-</u>	<u>675,682</u>
<b>Total without donor restrictions</b>	<u>675,682</u>	<u>51,533,460</u>	<u>52,209,142</u>
<b>With donor restrictions</b>	<u>70,000</u>	<u>-</u>	<u>70,000</u>
<b>Total net assets</b>	<u>745,682</u>	<u>51,533,460</u>	<u>52,279,142</u>
<b>Total liabilities and net assets</b>	<u>\$ 783,252</u>	<u>\$ 51,900,895</u>	<u>\$ 52,684,147</u>

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**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH**  
Supplemental Schedule III  
Consolidating Statement of Activities by Department  
For the Year Ended December 31, 2018

	Community Foundation			Community Trust			Consolidated total
	Administration	Donors	Total	Administration	Donors	Total	
<b>Change in net assets without donor restrictions:</b>							
<b>Support, revenues and losses</b>							
Contributions	\$ 62,176	\$ 8,836,296	\$ 8,898,472	\$ 100	\$ 456,830	\$ 456,930	\$ 9,355,402
Contributions of financial assets	-	2,000,000	2,000,000	-	-	-	2,000,000
Contribution of land	-	3,100,000	3,100,000	-	-	-	3,100,000
Contribution of other assets	-	695,000	695,000	-	-	-	695,000
Contribution of note receivable	-	450,000	450,000	-	-	-	450,000
Return on investments, net of fees	10,723	(1,519,494)	(1,508,771)	-	(30)	(30)	(1,508,801)
Impairment loss	-	(50,000)	(50,000)	-	-	-	(50,000)
Other income (expense)	464,710	(461,055)	3,655	9,137	(9,137)	-	3,655
Total support, revenues and losses	537,609	13,050,747	13,588,356	9,237	447,663	456,900	14,045,256
<b>Release of restrictions</b>	70,000	-	70,000	-	-	-	70,000
Total support, revenues, losses and release of restrictions	607,609	13,050,747	13,658,356	9,237	447,663	456,900	14,115,256
<b>Expenses</b>							
<b>Program</b>							
Community grants awarded	(428)	10,619,423	10,618,995	-	-	-	10,618,995
Other program services	296,388	37,886	334,274	-	2,623	2,623	336,897
Total program	295,960	10,657,309	10,953,269	-	2,623	2,623	10,955,892
<b>Supporting services</b>							
Management and general	237,551	7,325	244,876	2,528	612	3,140	248,016
Fundraising and development	61,884	5,072	66,956	-	-	-	66,956
Total supporting services	299,435	12,397	311,832	2,528	612	3,140	314,972
Total functional expenses	595,395	10,669,706	11,265,101	2,528	3,235	5,763	11,270,864
<b>Unrelated business income tax</b>	-	42,739	42,739	-	107,388	107,388	150,127
Total expenses	595,395	10,712,445	11,307,840	2,528	110,623	113,151	11,420,991
Increase in net assets with out donor restrictions	12,214	2,338,302	2,350,516	6,709	337,040	343,749	2,694,265
<b>Change in net assets with donor restrictions:</b>							
Contributions	70,000	-	70,000	-	-	-	70,000
Release of restrictions	(70,000)	-	(70,000)	-	-	-	(70,000)
Increase in net assets with donor restrictions	-	-	-	-	-	-	-
<b>Change in net assets</b>	12,214	2,338,302	2,350,516	6,709	337,040	343,749	2,694,265
<b>Net assets, beginning of year</b>	745,682	51,533,460	52,279,142	-	-	-	52,279,142
<b>Net assets, end of year</b>	\$ 757,896	\$ 53,871,762	\$ 54,629,658	\$ 6,709	\$ 337,040	\$ 343,749	\$ 54,973,407

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**COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH**  
 Supplemental Schedule IV  
 Consolidating Statement of Activities by Department  
 For the Year Ended December 31, 2017

	Community Foundation		Total
	Administration	Donors	
<b>Change in net assets without donor restrictions:</b>			
<b>Support and revenues</b>			
Contributions	\$ 56,303	\$ 13,714,134	\$ 13,770,437
Contributions of financial assets	-	9,366,666	9,366,666
Contribution of note receivable		1,280,000	1,280,000
Return on investments, net of fees	(240)	2,826,412	2,826,172
Other income	461,690	(289,646)	172,044
Total support, revenues and losses	517,753	26,897,566	27,415,319
<b>Release of restrictions</b>	70,000	-	70,000
Total support and revenues	587,753	26,897,566	27,485,319
<b>Expenses</b>			
<b>Program</b>			
Community grants awarded	8,906	12,583,176	12,592,082
Other program services	255,002	130,907	385,909
Total program	263,908	12,714,083	12,977,991
<b>Supporting services</b>			
Management and general	203,664	17,167	220,831
Fundraising and development	71,028	10,995	82,023
Total supporting services	274,692	28,162	302,854
Total functional expenses	538,600	12,742,245	13,280,845
<b>Unrelated business income tax expense</b>	-	60,396	60,396
Total expenses	538,600	12,802,641	13,341,241
Increase in net assets without donor restrictions	49,153	14,094,925	14,144,078
<b>Change in net assets with donor restrictions:</b>			
Contributions	70,000	-	70,000
Release of restrictions	(70,000)	-	(70,000)
Increase in net assets with donor restrictions	-	-	-
<b>Change in net assets</b>	49,153	14,094,925	14,144,078
<b>Net assets, beginning of year</b>	696,529	37,438,535	38,135,064
<b>Net assets, end of year</b>	\$ 745,682	\$ 51,533,460	\$ 52,279,142

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