

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH



**CONSOLIDATED FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULES, AND INDEPENDENT
AUDITOR'S REPORT**

As of and for the Years Ended December 31, 2024, and 2023



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

Opinion

We have audited the accompanying consolidated financial statements of the **Community Foundation of Utah and the Community Trust of Utah** (collectively the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Report on Supplemental Schedules

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2024 and 2023 supplemental schedules on pages 27 through 30 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 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.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

A handwritten signature in black ink that reads "Larson Company P.C." in a cursive, stylized font.

Salt Lake City, Utah
December 4, 2025

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Consolidated Statements of Financial Position
As of December 31, 2024 and 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 3,192,831	\$ 1,287,282
Accrued interest on notes receivable	300,839	113,539
Promises to give, current portion	666,667	-
Notes receivable, current portion, net	827,135	400,714
Unrelated business income tax recoverable	26,824	247,838
Total current assets	5,014,296	2,049,373
Investments	186,649,867	187,693,753
Promises to give, noncurrent portion	666,666	-
Financial assets, at cost	10,339,029	11,897,555
Leasehold improvements, net	101,848	-
Right of use asset, operating	219,384	-
Land	1,600,000	3,100,000
Notes receivable, noncurrent portion, net	7,955,085	13,222,647
Other assets	-	70,000
Interest in variable life policy	1,022,498	794,087
Total assets	\$ 213,568,673	\$ 218,827,415
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 287,638	\$ 53,647
Lease liability, operating, current portion	48,022	-
Total current liabilities	335,660	53,647
Lease liability, operating, noncurrent portion	242,429	-
Agency funds	41,553,529	41,814,463
Total liabilities	42,131,618	41,868,110
Net assets:		
Without donor restrictions:		
Board designated net assets	156,424,661	165,240,024
Board designated endowment	12,183,129	10,434,139
Undesignated net assets	1,435,932	1,225,142
Total net assets without donor restrictions	170,043,722	176,899,305
With donor restrictions:		
Purpose restrictions	1,393,333	60,000
Total net assets with donor restrictions	1,393,333	60,000
Total net assets	171,437,055	176,959,305
Total liabilities and net assets	\$ 213,568,673	\$ 218,827,415

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Changes in net assets without donor restrictions:		
Support, revenues and losses:		
Contributions	\$ 20,983,960	\$ 13,221,839
Contributions of financial assets	32,502,953	14,640,870
Return (loss) on investments, net of fees	11,602,367	15,386,239
Gain on sale	1,335,887	-
Bad debt expense	(4,404,817)	-
Other income (loss)	218,062	207,077
Total support, revenues and losses	62,238,412	43,456,025
Release of restrictions	60,000	60,000
Total support, revenues, losses and release of restrictions	62,298,412	43,516,025
Expenses:		
Program services:		
Community grants awarded	65,876,817	36,813,034
Other program services	1,121,861	884,888
Total program services	66,998,678	37,697,922
Supporting services:		
Management and general	468,562	423,397
Fundraising and development	163,405	137,735
Total supporting services	631,967	561,132
Total functional expenses	67,630,645	38,259,054
Unrelated business income tax	1,523,350	604,610
Total expenses	69,153,995	38,863,664
Change in net assets without donor restrictions	(6,855,583)	4,652,361
Changes in net assets with donor restrictions:		
Contributions	1,393,333	60,000
Release of restrictions	(60,000)	(60,000)
Increase (decrease) in net assets with donor restrictions	1,333,333	-
Change in net assets	(5,522,250)	4,652,361
Net assets, beginning of year	176,959,305	172,306,944
Net assets, end of year	<u>\$ 171,437,055</u>	<u>\$ 176,959,305</u>

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, 2024

	Program services		Supporting services		Total
	Community grants awarded	Other program services	Management and general	Fundraising and development	2024
Compensation of current officers, directors, trustees, and key employees	\$ -	\$ 179,800	\$ 154,380	\$ 63,900	\$ 398,080
Other salaries and wages	-	348,128	52,991	38,781	439,900
Employer 403(b) contributions	-	-	10,454	-	10,454
Other employee benefits	-	-	49,888	-	49,888
Payroll taxes	-	39,216	13,152	6,796	59,164
Total salaries and related expenses	-	567,144	280,865	109,477	957,486
Grants	65,876,817	-	-	-	65,876,817
Legal	-	165,950	32,873	12,883	211,706
Accounting	-	18,775	50,723	49	69,547
Other	-	247,005	78,219	27,861	353,085
Marketing and promotion	-	36,600	4,575	4,575	45,750
Office expenses	-	11,578	4,557	1,575	17,710
Information technology	-	21,321	2,665	2,665	26,651
Occupancy	-	11,648	1,456	1,456	14,560
Travel	-	762	95	95	952
Conferences, conventions, and meetings	-	11,674	-	-	11,674
Depreciation	-	-	9,259	-	9,259
Insurance	-	10,506	1,313	1,313	13,132
Cultivation program	-	3,386	-	-	3,386
Membership dues	-	9,213	1,152	1,152	11,517
Donor relations	-	3,869	-	-	3,869
All other expenses	-	2,430	810	304	3,544
Total functional expenses	\$ 65,876,817	\$ 1,121,861	\$ 468,562	\$ 163,405	\$ 67,630,645

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, 2023

	Program services		Supporting services		Total
	Community grants awarded	Other program services	Management and general	Fundraising and development	2023
Compensation of current officers, directors, trustees, and key employees	\$ -	\$ 171,140	\$ 141,733	\$ 61,464	\$ 374,337
Other salaries and wages	-	387,358	57,228	42,973	487,559
Employer 403(b) contributions	-	-	19,866	-	19,866
Other employee benefits	-	-	51,434	-	51,434
Payroll taxes	-	40,680	12,812	6,903	60,395
Total salaries and related expenses	-	599,178	283,073	111,340	993,591
Grants	36,813,034	-	-	-	36,813,034
Legal	-	49,462	22,205	2,975	74,642
Accounting	-	13,410	44,638	119	58,167
Other	-	101,611	57,678	9,915	169,204
Marketing and promotion	-	27,682	3,460	3,460	34,602
Office expenses	-	5,726	3,104	782	9,612
Information technology	-	9,800	1,225	1,225	12,250
Occupancy	-	42,639	5,330	5,330	53,299
Travel	-	1,208	151	151	1,510
Conferences, conventions, and meetings	-	7,023	-	-	7,023
Insurance	-	9,160	1,145	1,145	11,450
Cultivation program	-	5,223	-	-	5,223
Membership dues	-	7,208	901	901	9,010
Donor relations	-	2,425	-	-	2,425
All other expenses	-	3,133	487	392	4,012
Total functional expenses	\$ 36,813,034	\$ 884,888	\$ 423,397	\$ 137,735	\$ 38,259,054

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, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (5,522,250)	\$ 4,652,361
Adjustment to reconcile change in net assets to net cash flows from operating activities:		
Unrealized (gains) losses on investments	(2,310,779)	(9,826,768)
Net realized (gains) losses on investments	(4,249,367)	(494,425)
(Gain) loss on sale of assets held for sale	(1,335,887)	-
Noncash transfer of investments	346,610	651,945
Contributions of financial assets	(32,502,953)	(14,640,870)
Bad debt expense	4,404,817	-
Depreciation	9,259	-
(Increase) decrease in operating assets:		
Accrued interest on notes receivable	(187,300)	(19,402)
Promises to give	(1,333,333)	-
Unrelated business income tax recoverable	221,014	(247,838)
Right of use asset, operating	(219,384)	-
Interest in variable life policy	(200,000)	(100,000)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	233,991	10,066
Lease liability, operating	210,765	-
Agency funds	(343,692)	40,566,048
Net cash flows from operating activities	(42,778,489)	20,551,117
Cash flows from investing activities:		
Proceeds on sale of assets held for sale	2,905,887	-
Proceeds from sale of financial assets, at cost	33,150,538	17,381,874
Payments on notes receivable	436,324	396,916
Proceeds from sale of investment securities	72,521,740	70,272,405
Cash paid for purchase of investments	(64,299,030)	(129,170,087)
Cash paid for purchase of leasehold improvements	(31,421)	-
Net cash flows from investing activities	44,684,038	(41,118,892)
Increase (decrease) in cash and cash equivalents	1,905,549	(20,567,775)
Cash and cash equivalents, beginning of year	1,287,282	21,855,057
Cash and cash equivalents, end of year	\$ 3,192,831	\$ 1,287,282
Supplemental disclosures:		
Interest paid	\$ 2,020	\$ 44,240
Income taxes paid (refund received), net	\$ 1,300,316	\$ 808,208
Non-cash issuance of notes receivable	\$ -	\$ 1,325,000
Non-cash investing and financing activities:		
Operating lease obligations recorded	\$ 306,525	\$ -
Operating lease right-of-use assets recorded	\$ 235,772	\$ -

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, 2024 and 2023

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 believes in a holistic approach to charitable giving through working with nonprofit organizations, businesses, and individuals to identify and support solutions to the most pressing needs in our community. The Foundation serves as a community convener, pioneering innovation and embracing collaboration to support a thriving state, now and for generations to come.

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.

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 is 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, the 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. Many of 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.

Community Impact Funds enable donors to identify a broad charitable purpose or category of interest or target population (e.g. homelessness, education, or environment).

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

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

Basis of Presentation

The Organization prepares its consolidated financial statements on the accrual basis of accounting and follows accounting principles generally accepted in the United States for nonprofit organizations and reports information regarding its financial position and activities according to two classes of net assets, with donor restrictions and without donor restrictions, based upon the following criteria:

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, whereby the donor has stipulated the funds be maintained in perpetuity.

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, 2024 and 2023.

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.

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. Promises to give as of December 31, 2024 consisted of one award payable in equal installments of \$666,667 in 2025 and 2026. There were no promises to give as of December 31, 2023.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and Leasehold Improvements

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. Costs basis of leasehold improvements was **\$111,107** and \$0 as of December 31, 2024 and 2023. Accumulated depreciation on leasehold improvements was **\$9,259** and \$0 as of December 31, 2024 and 2023. No depreciable property and equipment was held as of December 31, 2024 and 2023.

Lease Agreements

The Organization leases office facilities under an operating lease agreement with terms more than one year. The Organization determines if an arrangement is a lease at inception and begins recording lease activity at the commencement date, which is generally the date the Organization takes possession of or controls the physical use of the asset. Right-of-use ("ROU") assets and lease liabilities are recognized based on the present value of lease payments over the lease term. Operating lease expenses are recognized on a straight-line basis over the life of the lease and are typically recognized as lease or rent expense. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

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

Lease Agreements (Continued)

The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Organization estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using a risk-free rate.

ROU assets include amounts for scheduled rent increases and are reduced by the amount of lease incentives. The lease term includes the non-cancellable period of the lease and options to extend or terminate the lease when it is reasonably certain the Organization will exercise those options

The Organization has elected to account for lease and non-lease components together as a single lease component in the measurement of ROU assets and lease liabilities. Variable lease payments are not included in the measurement of ROU assets and lease liabilities.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

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.

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 an 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.

The Organization receives a significant amount of contributions of financial assets. The Organization's policy is to convert such assets to cash or other investments in line with the Organization's written gift acceptance policies. However, due to the types of assets received, the Organization, at its discretion, may choose to hold such assets rather than converting them to cash.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

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

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, 2024 and 2023, 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 ratified by 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 **\$45,750** and **\$34,602** for the years ended December 31, 2024 and 2023, 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.

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 makes estimated tax payments during the year.

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. Generally, tax years remain subject to examination for three years from the date filed.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

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

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 value 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 and investment guidelines and requires review of performance by the Finance 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.

Additionally, the Organization has concentrations in its notes receivable. On December 31, 2024, 91% of the balance was due from two companies. On December 31, 2023, 87% of the balance was due from two companies. Management does not believe it is exposed to any significant credit risk from these concentrations.

Recent Accounting Pronouncements

In December of 2023, the FASB issued Accounting Standards Update 2023-09, *Income Taxes*, to enhance the transparency and decision usefulness of income tax disclosures to investors. The amendments of this update require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. Additionally, the Update requires the annual disclosure of income taxes paid, disaggregated by individual jurisdictions in which the income taxes are paid are equal to or in excess of 5 percent of total income taxes paid, as well as a disaggregation of income tax expense disaggregated by federal, state, and foreign jurisdictions. This guidance will become effective for the Organization for the year ending December 31, 2026. The Organization is currently evaluating the impact on the Company's financials as a result of this guidance.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,192,831	\$ 1,287,282
Promises to give, current portion	666,667	-
Notes receivable, current portion, net	<u>827,135</u>	<u>400,714</u>
Total current financial assets	4,686,633	1,687,996
Less:		
Accounts payable and accrued liabilities	(287,638)	(53,647)
Income taxes payable	-	-
Donor cash and cash equivalents*	(2,677,679)	(558,319)
Donor notes receivable*	(827,135)	(400,714)
Donor promises to give*	(666,667)	-
Plus:		
Long-term investments		
accessible for administration purposes	<u>7,001,685</u>	<u>5,432,572</u>
Financial assets available to meet general expenditures within one year	<u>\$ 7,229,199</u>	<u>\$ 6,107,888</u>

*The amounts subtracted here are held in donor advised funds. While the Organization holds variance power over these funds, its practice is to honor donor intent whenever possible. If needed, the Organization could use these funds for general expenditure.

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

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. Refer to Note 3 for total of these investments as of December 31, 2024 and 2023. Grants made from these accounts totaled **\$65,876,817** and \$36,813,034 for the years ended December 31, 2024 and 2023, respectively.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

3. INVESTMENTS

Investments consist of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Long-term investments		
Mutual funds	\$ 79,155,962	\$ 79,250,614
Money market funds	86,494,342	93,825,878
Stocks	9,512,040	7,912,258
Bond funds	163,391	3,088,320
Cash and cash equivalents	9,457,012	2,315,232
Other investments	1,867,120	1,301,451
Total long-term investments	<u><u>\$ 186,649,867</u></u>	<u><u>\$ 187,693,753</u></u>

Investment returns consist of the following for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 5,328,666	\$ 5,349,740
Net unrealized gains (losses)	2,310,779	9,826,768
Net realized gains	4,249,367	494,425
Management fees	(286,445)	(284,694)
Return on investments, net of fees	<u><u>\$ 11,602,367</u></u>	<u><u>\$ 15,386,239</u></u>

4. FAIR VALUE MEASUREMENTS

The Organization's financial instruments consist of investments as of December 31, 2024 and 2023. 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.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

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

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

Investment assets measured at fair value on a recurring basis as of December 31, 2024 and 2023 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2024				
Stocks	\$ 9,512,040	\$ -	\$ -	\$ 9,512,040
Money market funds	86,494,342	-	-	86,494,342
Mutual funds	79,155,962	-	-	79,155,962
Bond funds	163,391	-	-	163,391
Other investments	-	-	1,867,120	1,867,120
Total	<u><u>\$ 175,325,735</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,867,120</u></u>	<u><u>\$ 177,192,855</u></u>
December 31, 2023				
Stocks	\$ 7,912,258	\$ -	\$ -	\$ 7,912,258
Money market funds	93,825,878	-	-	93,825,878
Mutual funds	79,250,614	-	-	79,250,614
Bond funds	3,088,320	-	-	3,088,320
Other investments	-	-	1,301,451	1,301,451
Total	<u><u>\$ 184,077,070</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,301,451</u></u>	<u><u>\$ 185,378,521</u></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).

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,301,451	\$ 1,661,306
Transfers into (out of) Level 3	(346,610)	(657,299)
Purchases and contributions	965,941	304,875
Total gains	67,427	113,264
Total losses (including impairment)	(121,089)	(120,695)
Balance, end of year	<u><u>\$ 1,867,120</u></u>	<u><u>\$ 1,301,451</u></u>

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

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, 2024 and 2023, and based on events, changes in circumstances, or objective evidence recognized **\$0** and \$0 in impairment losses for the years ended December 31, 2024 and 2023, respectively.

The Organization receives donations of membership units and common stock from unrelated partnerships and third parties that are measured at fair value on a non-recurring basis.

A summary of the financial assets carried at cost is as follows as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Membership units and common stock	\$ 9,881,731	\$ 11,440,257
Alternative investments	457,298	457,298
Total financial assets carried at cost	<u>\$ 10,339,029</u>	<u>\$ 11,897,555</u>

6. NOTES RECEIVABLE

The Organization has an outstanding note receivable from an unrelated party. The initial amount of the note was \$8,866,666. This loan was initially given 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, 2024 and 2023, the balance on this note was **\$6,923,029** and \$7,222,353, respectively.

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, 2024 and 2023, the balance on this note was **\$150,000** and \$150,000, respectively.

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, 2024 and 2023, the balance on this note was **\$250,000** and \$250,000, respectively.

In 2019, the Organization entered into an unsecured surplus cash note with an unrelated party in the amount of \$100,000. The note receivable bears interest at a rate of 0% per annum and is due at maturity on August 1, 2024. As of December 31, 2024 and 2023, the balance on this note was **\$0** and \$16,667, respectively.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

6. NOTES RECEIVABLE (Continued)

In 2020, the Organization was gifted an unsecured note receivable from an unrelated party. The amount of the note assigned to the Organization totaled \$5,277,000. The note bears interest at a rate of 7.5% per annum, requires monthly payments of \$33,225, and matures on May 31, 2030. As of December 31, 2024 and 2023, the net balance on this note was **\$171,722** (net of allowance of **\$4,391,343**) and \$4,580,384, respectively. See footnote 16 for subsequent event affecting this balance.

In 2020, the Organization entered into an unsecured note receivable with an unrelated party in the amount of \$22,000. The note receivable bears interest at a rate of 0% per annum, requires monthly payments of \$300 and is due at maturity in 2027. As of December 31, 2024 and 2023, the net balance on this note was **\$0** (net of allowance of **\$13,474**) and \$14,374, respectively.

In 2021, the Organization entered into an unsecured surplus cash note with an unrelated party in the amount of \$100,000. The note receivable bears interest at a rate of 0% per annum, requires the lesser of 15% of monthly income or \$2,083, and is due at maturity on August 1, 2026. As of December 31, 2024 and 2023, the balance on this note was **\$39,583** and \$64,583, respectively.

In 2023, the Organization entered into a secured promissory note with an unrelated party in the amount of \$1,325,000. The note receivable bears interest at a rate of 4.03% per annum, requires interest-only payments of \$53,398 for years one through five, then annual payments of \$297,882, and is due at maturity on August 2, 2033. As of December 31, 2024 and 2023, the balance on this note was **\$1,247,886** and \$1,325,000, respectively.

The Organization considers past events, current conditions, and reasonable and supportable forecasts in estimating an allowance for credit losses. The Organization utilizes historical internal data, including aging analyses to estimate allowances under current conditions and for the forecast period. The Organization regularly evaluates and updates the data and adjusts its allowance, as appropriate.

Notes receivable balance as of December 31, 2024 and 2023, consist of the following:

	<u>2024</u>	<u>2023</u>
Notes receivable	\$ 13,187,037	\$ 13,623,361
Less: allowance for credit losses	<u>(4,404,817)</u>	<u>-</u>
Notes receivable, net	<u>\$ 8,782,220</u>	<u>\$ 13,623,361</u>

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

6. NOTES RECEIVABLE (Continued)

Changes in the allowance for credit losses during the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ -	\$ -
Bad debt write-off	-	-
Allowance	<u>(4,404,817)</u>	<u>-</u>
Ending balance	<u>\$ (4,404,817)</u>	<u>\$ -</u>

As of December 31, 2024, future maturities of the notes receivable are as follows:

For the years ended December 31,	
2025	\$ 827,135
2026	329,552
2027	323,095
2028	331,431
2029	584,466
Thereafter	<u>6,386,541</u>
Total notes receivable, net	8,782,220
Less current portion	<u>(827,135)</u>
Notes receivable, noncurrent portion, net	<u>\$ 7,955,085</u>

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 **\$355,498** and \$327,087 as of December 31, 2024 and 2023, respectively, which is included in other assets in the accompanying statements of financial position.

In May 2021, the Organization was gifted a life insurance policy through Columbus Life Insurance Company in which the Organization was named as the 100% beneficiary (the "Policy"). The Policy is a second-to-die policy; thus, the death benefit would be paid upon the death of the donors of the Policy. The value of the Policy upon death of the donors is \$7,500,000. The Policy was not fully paid when gifted and requires premium payments to be paid annually by the Organization to meet the beneficiary requirements as set forth in the Policy. The donors have made initial premium payments and anticipate continuing to make these payments annually to the Organization on behalf of the Policy.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

7. VARIABLE LIFE POLICY AND OTHER ASSETS (Continued)

There is no obligation under the Policy for the Organization to make premium payments should the donors discontinue donating the Policy premiums. The carrying value of the Policy as of December 31, 2024 and 2023 is **\$667,000** and \$467,000, respectively.

8. LEASES

Operating Lease Obligations

The Organization leases office facilities under an operating lease agreement with terms more than one year. The Organization entered into this agreement in March 2024. The lease expires in May of 2031. Total lease costs for the years ended December 31, 2024 and 2023, were **\$23,913** and \$0, respectively.

The following table summarizes the supplemental cash flow information for the years ended December 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used for operating leases	\$ 23,598	\$ -

The following summarizes the weighted-average remaining lease term and weighted-average discount rate used.

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term		
Operating leases	6.4 years	n/a
Weighted-average discount rate		
Operating leases	4.28%	n/a

Future minimum annual rental payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year as of December 31, 2024 are as follows:

For the years ending December 31,		
2025	\$	48,022
2026		49,463
2027		50,947
2028		52,475
2029		54,049
Thereafter		79,152
Total lease payments		334,108
Less: present value discount		(43,657)
Present value of lease liabilities	\$	290,451

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

9. AGENCY FUNDS HELD BY THE ORGANIZATION

At December 31, 2024 and 2023, the Organization held investment balances of **\$41,553,529** and \$41,814,463, respectively, which are designated for other nonprofit entities. These assets held 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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Agency funds, beginning of the year	\$ 41,814,463	\$ 1,128,362
Contributions designated for other organizations	2,000	40,345,000
Realized and unrealized investment returns	82,758	120,053
Dividend and interest income	2,110,014	1,950,432
Grants designated for other organizations	(299,365)	(105,423)
Fund expenditures	(2,156,341)	(1,623,961)
Total agency funds	\$ 41,553,529	\$ 41,814,463

The Great Salt Lake Watershed Enhancement Trust

During the year ended December 31, 2022, the Utah legislature appropriated \$40 million for the Great Salt Lake Watershed Enhancement Program to create a water trust to benefit Great Salt Lake and its wetlands. The Organization was selected as the fiduciary to hold, administer, and invest the State Grant Money related to this program, which was received by the Organization in January 2023. The National Audubon Society and The Nature Conservancy retain authority over the funds and related distributions, and the Organization acts as an agent over the funds. As such, the investments and related activity have been included in the agency funds disclosed above.

The following summarizes the activity of the public funds related to the Great Salt Lake Watershed Enhancement Program for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Public funds, beginning of the year	\$ 40,305,163	\$ -
Contributions designated for other organizations	-	40,000,000
Dividend and interest income	2,065,162	1,913,719
Fund expenditures:		
Water transactions	(899,729)	(812,780)
Wetland sub-grant	(408,817)	-
Operational and administrative expenses	(502,174)	(402,728)
Professional services	(189,312)	(201,555)
Financial management fees	(140,962)	(191,493)
Fund transfers to endowment	(2,000,000)	-
Total public funds	\$ 38,229,331	\$ 40,305,163

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

9. AGENCY FUNDS HELD BY THE ORGANIZATION (Continued)

The Great Salt Lake Watershed Enhancement Trust (Continued)

In 2024, consistent with the Great Salt Lake Watershed Program Act and the State Grant Agreement between the Utah Division of Forestry, Fire and State Lands, National Audubon Society, and The Nature Conservancy, a \$2 million endowment fund was established utilizing funds from the State Grant Money.

The following summarizes the activity of the endowment funds related to the Great Salt Lake Watershed Enhancement Program for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Endowment funds, beginning of the year	\$ -	\$ -
Fund transfers	2,000,000	-
Dividend and interest income	4,871	-
Fund expenditures:		
Financial management fees	(395)	-
Total endowment funds	<u><u>\$ 2,004,476</u></u>	<u><u>\$ -</u></u>

10. BOARD DESIGNATED NET ASSETS

A majority of the net assets without donor restrictions as of December 31, 2024 and 2023 have been designated by the Organization's Board of Directors to be used for specific programs as follows:

	<u>2024</u>	<u>2023</u>
Board-designated net assets		
Donor advised funds	\$ 147,371,968	\$ 150,626,544
Community impact fund	7,988,047	1,982,758
Unrestricted program fund	277,144	237,924
Scholarship funds	12,408	12,039
Fiscal sponsorship funds	17,147	25,665
Corporate advised funds	685,942	12,274,907
Other designated funds	72,005	80,187
Total	<u><u>\$ 156,424,661</u></u>	<u><u>\$ 165,240,024</u></u>

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.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

10. BOARD DESIGNATED NET ASSETS (Continued)

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.

11. BOARD DESIGNATED ENDOWMENT

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 Committee. All or a portion of the payout amount may be reinvested. Additionally, endowment funds held on behalf of donors are charged a fee by the Organization, which is assessed monthly.

The changes in endowment net assets are as follows for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Endowment net assets, January 1	\$ 10,434,139	\$ 8,565,933
Contributions	513,383	183,838
Additions through board designations	703,513	938,205
Program expense	(244,224)	(223,302)
Investment income, net of investment fees	714,834	250,360
Unrealized gain (loss) on investments	61,484	719,105
Total endowment net assets, December 31	<u>\$ 12,183,129</u>	<u>\$ 10,434,139</u>

12. DONOR RESTRICTED NET ASSETS

The Organization had **\$1,393,333** and \$60,000, respectively, in net assets with donor restrictions as of December 31, 2024 and 2023. The December 31, 2024 and 2023 net assets with donor restrictions included a \$60,000 award that is time restricted and a \$1,333,333 award that is time and purpose restricted for the Utah Impact Partnership Project to be paid in two installments of \$666,667 in 2025 and \$666,666 in 2026.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

13. 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 4% 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, 2024 and 2023 were **\$23,534** and \$27,163, respectively.

14. COMMITMENTS

As described in Note 1, the Organization holds ownership in Candide. Candide is the lessor for a piece of real property in Utah County, Utah being used for the farming of produce. The lessee had originally agreed to transfer a minimum amount of produce to one or more charities identified by Candide at least annually. The original lease expired December 31, 2022. During the year ended December 31, 2023, the lease was modified and extended, and on June 3, 2024, the lease was modified to expire on November 15, 2024. Under the amended terms, the lessee agreed to pay rent in the amount of \$3,000 per month.

15. 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 **\$30,469** and \$12,531, respectively, for the years ended December 31, 2024 and 2023. Members of the Board also contributed approximately **\$16,400** and \$88,433, respectively, to related donor advised funds for the years ended December 31, 2024 and 2023.

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 provided office space and administrative support for the SPV. During the years ended December 31, 2024 and 2023, the SPV paid the Organization a total of **\$0** and \$11,561, respectively, for rent and administrative support. As of December 31, 2024 and 2023, there were no amounts due to or due from the SPV. As of December 31, 2023, in completion of Salt Lake County’s Pay for Success program, SPV has been dissolved.

COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

16. SUBSEQUENT EVENTS

Subsequent events have been considered through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

Note Receivable

In May 2024, the Organization stopped receiving payments on a note receivable with a balance of approximately \$4.6 million as of December 31, 2024. In November 2024, the Organization received a formal request from the borrower that the note be forgiven. During January of 2025, the Organization formally accepted the request to forgive the remaining balance of the note receivable less a final payment of \$398,694. See footnote 6 for the allowance for credit loss created in anticipation of this action.

Impairment of Investment

The Organization was gifted shares of company stock during 2024. During 2025, the Organization received a communication that this company was in financial distress and any recovery of the amounts due to the Organization as a stockholder were uncertain. The Organization may record an impairment loss for the full value of this investment due to this uncertainty. This investment is valued at approximately \$2.2 million as of December 31, 2024.

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, 2024

ASSETS	Community Foundation			Community Trust			Elimination entries	Consolidated total
	Administration	Donors	Total	Administration	Donors	Total		
Current assets:								
Cash and cash equivalents	\$ 244,058	\$ 2,180,909	\$ 2,424,967	\$ 271,094	\$ 496,770	\$ 767,864	\$ -	\$ 3,192,831
Accounts receivable, net	616,120	-	616,120	-	-	-	(616,120)	-
Accrued interest on notes receivable	-	300,839	300,839	-	-	-	-	300,839
Promises to give, current portion	-	666,667	666,667	-	-	-	-	666,667
Notes receivable, current portion, net	-	827,135	827,135	-	-	-	-	827,135
Unrelated business income tax recoverable	-	-	-	-	26,824	26,824	-	26,824
Total current assets	860,178	3,975,550	4,835,728	271,094	523,594	794,688	(616,120)	5,014,296
Investments	6,533,911	165,246,266	171,780,177	467,774	14,401,916	14,869,690	-	186,649,867
Promises to give, noncurrent portion	-	666,666	666,666	-	-	-	-	666,666
Financial assets, at cost	-	2,181,434	2,181,434	-	8,157,595	8,157,595	-	10,339,029
Leasehold improvements, net	101,848	-	101,848	-	-	-	-	101,848
Right of use asset, operating	219,384	-	219,384	-	-	-	-	219,384
Land	-	1,600,000	1,600,000	-	-	-	-	1,600,000
Notes receivable, noncurrent portion, net	-	7,955,085	7,955,085	-	-	-	-	7,955,085
Interest in variable life policy	667,000	355,498	1,022,498	-	-	-	-	1,022,498
Total assets	\$ 8,382,321	\$ 181,980,499	\$ 190,362,820	\$ 738,868	\$ 23,083,105	\$ 23,821,973	\$ (616,120)	\$ 213,568,673
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable and accrued liabilities	\$ 4,209	\$ 270,820	\$ 275,029	\$ 616,120	\$ 12,609	\$ 628,729	\$ (616,120)	\$ 287,638
Lease liability, operating, current portion	48,022	-	48,022	-	-	-	-	48,022
Total current liabilities	52,231	270,820	323,051	616,120	12,609	628,729	(616,120)	335,660
Lease liability, operating, noncurrent portion	242,429	-	242,429	-	-	-	-	\$ 242,429
Agency funds	-	41,553,529	41,553,529	-	-	-	-	41,553,529
Total liabilities	294,660	41,824,349	42,119,009	616,120	12,609	628,729	(616,120)	42,131,618
Net assets:								
Without donor restrictions:								
Board designated net assets	-	133,354,165	133,354,165	-	23,070,496	23,070,496	-	156,424,661
Board designated endowment	6,714,477	5,468,652	12,183,129	-	-	-	-	12,183,129
Undesignated net assets	1,313,184	-	1,313,184	122,748	-	122,748	-	1,435,932
Total net assets without donor restrictions	8,027,661	138,822,817	146,850,478	122,748	23,070,496	23,193,244	-	170,043,722
With donor restrictions:								
Purpose restrictions	60,000	1,333,333	1,393,333	-	-	-	-	1,393,333
Total net assets	8,087,661	140,156,150	148,243,811	122,748	23,070,496	23,193,244	-	171,437,055
Total liabilities and net assets	\$ 8,382,321	\$ 181,980,499	\$ 190,362,820	\$ 738,868	\$ 23,083,105	\$ 23,821,973	\$ (616,120)	\$ 213,568,673

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COMMUNITY FOUNDATION OF UTAH AND COMMUNITY TRUST OF UTAH

Supplemental Schedule II Consolidating Statement of Financial Position by Department As of December 31, 2023

ASSETS	Community Foundation			Community Trust			Elimination entries	Consolidated total
	Administration	Donors	Total	Administration	Donors	Total		
Current assets:								
Cash and cash equivalents	\$ 424,103	\$ 529,038	\$ 953,141	\$ 304,860	\$ 29,281	\$ 334,141	\$ -	\$ 1,287,282
Accounts receivable, net	589,620	-	589,620	-	-	-	(589,620)	-
Accrued interest on notes receivable	-	113,539	113,539	-	-	-	-	113,539
Notes receivable, current portion, net	-	400,714	400,714	-	-	-	-	400,714
Unrelated business income tax recoverable	-	-	-	-	247,838	247,838	-	247,838
Total current assets	1,013,723	1,043,291	2,057,014	304,860	277,119	581,979	(589,620)	2,049,373
Investments	5,077,777	156,312,750	161,390,527	354,795	25,948,431	26,303,226	-	187,693,753
Financial assets, at cost	-	7,211,039	7,211,039	-	4,686,516	4,686,516	-	11,897,555
Land	-	3,100,000	3,100,000	-	-	-	-	3,100,000
Notes receivable, noncurrent portion, net	-	13,222,647	13,222,647	-	-	-	-	13,222,647
Other assets	-	70,000	70,000	-	-	-	-	70,000
Interest in variable life policy	467,000	327,087	794,087	-	-	-	-	794,087
Total assets	\$ 6,558,500	\$ 181,286,814	\$ 187,845,314	\$ 659,655	\$ 30,912,066	\$ 31,571,721	\$ (589,620)	\$ 218,827,415
<u>LIABILITIES AND NET ASSETS</u>								
Current liabilities:								
Accounts payable and accrued liabilities	\$ 22,979	\$ 29,046	\$ 52,025	\$ 589,620	\$ 1,622	\$ 591,242	\$ (589,620)	\$ 53,647
Total current liabilities	22,979	29,046	52,025	589,620	1,622	591,242	(589,620)	53,647
Agency funds	-	41,814,463	41,814,463	-	-	-	-	41,814,463
Total liabilities	22,979	41,843,509	41,866,488	589,620	1,622	591,242	(589,620)	41,868,110
Net assets:								
Without donor restrictions:								
Board designated net assets	-	134,329,580	134,329,580	-	30,910,444	30,910,444	-	165,240,024
Board designated endowment	5,320,414	5,113,725	10,434,139	-	-	-	-	10,434,139
Undesignated net assets	1,155,107	-	1,155,107	70,035	-	70,035	-	1,225,142
Total without donor restrictions	6,475,521	139,443,305	145,918,826	70,035	30,910,444	30,980,479	-	176,899,305
With donor restrictions	60,000	-	60,000	-	-	-	-	60,000
Total net assets	6,535,521	139,443,305	145,978,826	70,035	30,910,444	30,980,479	-	176,959,305
Total liabilities and net assets	\$ 6,558,500	\$ 181,286,814	\$ 187,845,314	\$ 659,655	\$ 30,912,066	\$ 31,571,721	\$ (589,620)	\$ 218,827,415

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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, 2024

	Community Foundation			Community Trust			Elimination	Consolidated
	Administration	Donors	Total	Administration	Donors	Total	entries	total
Change in net assets without donor restrictions:								
Support, revenues and losses:								
Contributions	\$ 459,734	45,456,604	\$ 45,916,338	\$ -	1,085,235	\$ 1,085,235	\$ (26,017,613)	\$ 20,983,960
Contributions of financial assets	-	8,895,031	8,895,031	-	23,607,922	23,607,922	-	32,502,953
Return (loss) on investments, net of fees	751,996	9,939,051	10,691,047	6,655	904,665	911,320	-	11,602,367
Gain on sale	-	1,335,887	1,335,887	-	-	-	-	1,335,887
Bad debt expense	-	(4,404,817)	(4,404,817)	-	-	-	-	(4,404,817)
Other income (loss)	1,791,613	(1,477,052)	314,561	202,973	(299,472)	(96,499)	-	218,062
Total support, revenues and losses	3,003,343	59,744,704	62,748,047	209,628	25,298,350	25,507,978	(26,017,613)	62,238,412
Release of restrictions	60,000	-	60,000	-	-	-	-	60,000
Total support, revenues, losses and release of restrictions	3,063,343	59,744,704	62,808,047	209,628	25,298,350	25,507,978	(26,017,613)	62,298,412
Expenses:								
Program:								
Community grants awarded	50,000	60,180,810	60,230,810	150,000	31,513,620	31,663,620	(26,017,613)	65,876,817
Other program services	933,895	106,688	1,040,583	-	81,278	81,278	-	1,121,861
Total program	983,895	60,287,498	61,271,393	150,000	31,594,898	31,744,898	(26,017,613)	66,998,678
Supporting services:								
Management and general	405,187	41,097	446,284	6,915	15,363	22,278	-	468,562
Fundraising and development	122,120	41,285	163,405	-	-	-	-	163,405
Total supporting services	527,307	82,382	609,689	6,915	15,363	22,278	-	631,967
Total functional expenses	1,511,202	60,369,880	61,881,082	156,915	31,610,261	31,767,176	(26,017,613)	67,630,645
Unrelated business income tax	-	(4,687)	(4,687)	-	1,528,037	1,528,037	-	1,523,350
Total expenses	1,511,202	60,365,193	61,876,395	156,915	33,138,298	33,295,213	(26,017,613)	69,153,995
Change in net assets without donor restrictions	1,552,141	(620,489)	931,652	52,713	(7,839,948)	(7,787,235)	-	(6,855,583)
Change in net assets with donor restrictions:								
Contributions	60,000	1,333,333	1,393,333	-	-	-	-	1,393,333
Release of restrictions	(60,000)	-	(60,000)	-	-	-	-	(60,000)
Change in net assets with donor restrictions	-	1,333,333	1,333,333	-	-	-	-	1,333,333
Change in net assets	1,552,141	712,844	2,264,985	52,713	(7,839,948)	(7,787,235)	-	(5,522,250)
Net assets, beginning of year	6,535,520	139,443,306	145,978,826	70,035	30,910,444	30,980,479	-	176,959,305
Net assets, end of year	\$ 8,087,661	\$ 140,156,150	\$ 148,243,811	\$ 122,748	\$ 23,070,496	\$ 23,193,244	\$ -	\$ 171,437,055

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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, 2023

	Community Foundation			Community Trust			Elimination	Consolidated
	Administration	Donors	Total	Administration	Donors	Total	entries	total
Change in net assets without donor restrictions:								
Support, revenues and losses:								
Contributions	\$ 391,518	17,101,421	\$ 17,492,939	\$ -	408,050	\$ 408,050	\$ (4,679,150)	\$ 13,221,839
Contributions of financial assets	-	7,269,553	7,269,553	-	7,371,317	7,371,317	-	14,640,870
Return (loss) on investments, net of fees	709,395	13,205,796	13,915,191	51,789	1,419,259	1,471,048	-	15,386,239
Other income (loss)	1,781,823	(1,454,346)	327,477	186,997	(307,397)	(120,400)	-	207,077
Total support, revenues and losses	2,882,736	36,122,424	39,005,160	238,786	8,891,229	9,130,015	(4,679,150)	43,456,025
Release of restrictions	60,000		60,000	-	-	-	-	60,000
Total support, revenues, losses and release of restrictions	2,942,736	36,122,424	39,065,160	238,786	8,891,229	9,130,015	(4,679,150)	43,516,025
Expenses:								
Program:								
Community grants awarded	10,025	26,663,535	26,673,560	220,000	14,598,624	14,818,624	(4,679,150)	36,813,034
Other program services	902,862	(56,100)	846,762		38,126	38,126	-	884,888
Total program	912,887	26,607,435	27,520,322	220,000	14,636,750	14,856,750	(4,679,150)	37,697,922
Supporting services:								
Management and general	398,365	13,712	412,077	10,382	938	11,320	-	423,397
Fundraising and development	124,508	13,227	137,735	-	-	-	-	137,735
Total supporting services	522,873	26,939	549,812	10,382	938	11,320	-	561,132
Total functional expenses	1,435,760	26,634,374	28,070,134	230,382	14,637,688	14,868,070	(4,679,150)	38,259,054
Unrelated business income tax		49,478	49,478		555,132	555,132	-	604,610
Total expenses	1,435,760	26,683,852	28,119,612	230,382	15,192,820	15,423,202	(4,679,150)	38,863,664
Change in net assets without donor restrictions	1,506,976	9,438,572	10,945,548	8,404	(6,301,591)	(6,293,187)	-	4,652,361
Change in net assets with donor restrictions:								
Contributions	60,000	-	60,000	-	-	-	-	60,000
Release of restrictions	(60,000)	-	(60,000)	-	-	-	-	(60,000)
Change in net assets with donor restrictions	-	-	-	-	-	-	-	-
Change in net assets	1,506,976	9,438,572	10,945,548	8,404	(6,301,591)	(6,293,187)	-	4,652,361
Net assets, beginning of year	5,028,545	130,004,733	135,033,278	61,631	37,212,035	37,273,666	-	172,306,944
Net assets, end of year	\$ 6,535,521	\$ 139,443,305	\$ 145,978,826	\$ 70,035	\$ 30,910,444	\$ 30,980,479	\$ -	\$ 176,959,305

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