THE PARK CITY FOUNDATION

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

BEMENT & COMPANY
a professional corporation
CERTIFIED PUBLIC ACCOUNTANTS

39 E. Eagle Ridge Dr., Ste. 200
North Salt Lake, Utah 84054
www.bementcompany.com
Phone (801) 936-1900
Fax (801) 936-1901

INDEPENDENT AUDITORS' REPORT

August 28, 2014

Board of Directors of
The Park City Foundation
Park City, Utah

We have audited the accompanying financial statements of The Park City Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Park City Foundation as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

THE PARK CITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 777,145	$ 829,726
Miscellaneous receivables	11,587	1,350
Promises to give, current portion (Note 4)	193,395	91,393
Total Current Assets	982,127	922,469
Investments (Note 6)	3,636,238	2,424,847
Performance account cash asset (Note 8)	1,175,000	-
Fixed assets, net (Note 5)	8,274	6,649
Investments - donor restricted (Note 6)	701,231	5,600
Promises to give, less current portion (Note 4)	162,691	69,910
Total Assets	$ 6,665,561	$ 3,429,475
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 144	$ 675
Total Current Liabilities	144	675
Agency endowment funds (Note 2)	610,424	412,886
Performance account liability (Note 8)	1,175,000	-
Total Liabilities	1,785,568	413,561
Net Assets		
Unrestricted net assets:		
Unrestricted net assets - undesignated	697,664	625,517
Board-designated quasi-endowments (Note 13)	3,182,844	2,221,801
Total unrestricted net assets	3,880,508	2,847,318
Temporarily restricted net assets (Note 9)	298,254	162,996
Permanently restricted net assets (Note 12)	701,231	5,600
Total Net Assets	4,879,993	3,015,914
Total Liabilities and Net Assets	$ 6,665,561	$ 3,429,475

See accompanying notes and auditors' report

THE PARK CITY FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains, and Other Support				
Contributions	$ 1,661,592	$ 228,500	$ 695,631	$ 2,585,723
Net investment income	54,686	-	-	54,686
Realized gain on sale of investments	-	-	-	-
Unrealized gains on investments	259,442	20,252	-	279,694
Fee revenue	10,460	-	-	10,460
Net assets released from restrictions (Note 10)	113,494	(113,494)	-	-
Total Revenues, Gains, and Other Support	2,099,674	135,258	695,631	2,930,563
Expenses (Note 2)				
Program	797,446	-	-	797,446
Management and general	116,125	-	-	116,125
Fund raising	152,913	-	-	152,913
Total Expenses	1,066,484	-	-	1,066,484
Change in unrestricted net assets	1,033,190	135,258	695,631	1,864,079
Net assets, beginning of year	2,847,318	162,996	5,600	3,015,914
Net assets, end of year	$ 3,880,508	$ 298,254	$ 701,231	$ 4,879,993

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Assets
Revenues, Gains, and Other Support				
Contributions	$ 727,674	$ 102,250	$ -	$ 829,924
Net investment income	57,490	1,693	-	59,183
Realized gain on sale of investments	-	-	-	-
Unrealized losses on investments	176,669	-	-	176,669
Fee revenue	6,593	-	-	6,593
Net assets released from restrictions (Note 10)	267,253	(267,253)	-	-
Total Revenues, Gains, and Other Support	1,235,679	(163,310)	-	1,072,369
Expenses (Note 2)				
Program	677,533	-	-	677,533
Management and general	189,452	-	-	189,452
Fund raising	133,152	-	-	133,152
Total Expenses	1,000,137	-	-	1,000,137
Change in unrestricted net assets	235,542	(163,310)	-	72,232
Net assets, beginning of year	2,611,776	326,306	5,600	2,943,682
Net assets, end of year	$ 2,847,318	$ 162,996	$ 5,600	$ 3,015,914

See accompanying notes and auditors' report

THE PARK CITY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
Cash flows from operating activities:		
Reconciliation of change in net assets to net cash provided operating activities:		
Total change in net assets	$ 1,864,079	$ 72,232
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized gain on investments	(279,694)	(176,669)
Endowment contributions	(695,631)	-
Endowment investment income	(20,252)	-
Depreciation	3,761	4,509
Change in other assets and liabilities:		
(Increase) decrease in promises to give	(194,784)	165,003
Increase in performance account asset - long term cash	(1,175,000)	-
(Increase) decrease in miscellaneous receivables	(10,237)	666
Decrease in accounts payable	(531)	(3,855)
Decrease in grants payable	-	(16,000)
Increase in agency endowment funds	197,538	212,453
Increase in performance account liability	1,175,000	-
Net cash provided by operating activities	864,249	258,339
Cash flows from investing activities:		
Purchase of property and equipment	(5,385)	-
Purchase of investments	(1,627,328)	(3,873)
Net cash used in investing activities	(1,632,713)	(3,873)
Cash flows from financing activities:		
Endowment income	20,252	-
Endowment contributions	695,631	-
Net cash provided by financing activities	715,883	-
Net increase in cash and cash equivalents	(52,581)	254,466
Cash and cash equivalents, beginning of period	829,726	575,260
Cash and cash equivalents, end of period	$ 777,145	$ 829,726

See accompanying notes and auditors' report

THE PARK CITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 - ORGANIZATION

The Park City Foundation, also known as the Park City Community Foundation (PCCF or the Foundation) is Summit County, Utah's community foundation, serving donors (families and businesses), nonprofits and citizens of Summit County, Utah. PCCF is a 501(c)(3) public charity that exists to strengthen and unite Summit County by identifying needs, giving, supporting and connecting our community. From inception in 2004 through 2013, PCCF has invested over $5 million in our community.

The Foundation has three strategic goals.

1. Endow Summit County's Future – create an endowment to sustain and enhance PCCF's ability to serve the community.

2. Support Nonprofits - promote the Park City nonprofit community by providing grant, education, and networking opportunities.

3. Achieve Long-term Community Gains – collaborate with partners and align resources to accomplish shared goals.

PCCF's primary programs include:

Live PC Give PC – PCCF leads an annual giving day event, livepcgivepc.org. The goals are to connect nonprofits to a new revenue stream and new donors and to raise awareness of local organizations. In 2013, Live PC Give PC had over 2,600 donors in a single 24-hour period and raised over $830,000 for area organizations. There was over 2,600 donors and almost $600,000 raised in 2012 for the same event.

Park City Women's Giving Fund – The goal is to build a $1 million endowment that will support women's and children's causes in Summit County in perpetuity. Annually, the fund will make a high impact grant to a local nonprofit. Members of the fund will vote annually on the grants. In April 2014, PCCF completed the Women's Giving Fund campaign with over 1,000 members and more than $1 million in the endowment.

Community Fund – Annually, PCCF grants to local nonprofit organizations in the areas of children & families, arts & culture, conservation & environment, health & human services, sports & recreation and more. The organizations are well governed, with excellent programs that meet Park City's pressing needs.

Nonprofit Education – Annually, PCCF provides affordable, accessible, high quality continuing education to area nonprofit professionals. The result is more effective and efficient nonprofits. Quarterly, PCCF facilitates Executive Director Roundtables to help foster collaboration and share best practices. PCCF also hosts topical seminars; past topics include: fiscal sustainability, boards and governance, major gift fundraising and more.

Other Programming – PCCF also offers individualized philanthropic services to business and families, including donor-advised and other funds. PCCF has implemented a climate change initiative that resulted in the website, parkcitygreen.org. PCCF also partnered with the Park Record to produce the Milepost, a community indicators report in 2010, 2011, and 2012. PCCF ceased to play a role in the production of the Milepost in 2013.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foundation have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Foundation presents its financial statements in accordance with U.S. generally accepted accounting principles and the related standards whereby net assets and changes therein are classified according to the existence or absence of time or donor-imposed restrictions. The Foundation complies with the Not-For-Profit requirements of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC).

In accordance with the standards in FASB ASC, funds that are created by organizations for their own benefit (agency funds) are classified as liabilities, even though the fund holders have explicitly granted the Foundation variance power. Grants disbursed from donor directed and agency funds reduce these liabilities.

Revenue Recognition

The Foundation is required to report contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor imposed-restrictions. With the exception of permanently restricted endowments and pledges to be received in future years, all of the Foundation's gift instruments explicitly grant the Foundation variance power to redirect the use of assets. As a result, most contributions are recorded as unrestricted. Net assets are internally designated by type of fund and managed according to the Foundation's respective administrative and investment policies.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Contributions with donor-imposed restrictions that are met in the current period are recorded as unrestricted contributions. The Foundation's temporarily restricted net assets are discussed in Note 9. The Foundation's permanently restricted net assets are discussed in Note 12.

Contributions, which may include non-cash assets, unconditional promises to give and beneficial interests in irrevocable trusts or other legally-binding agreements, are recognized as revenue at fair value in the period pledged or received. Contributions receivable are reviewed for collectability and reserves for uncollectible amounts are established when needed. Contributions of services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Contributions and bequests may include donor-imposed restrictions or require the fulfillment of certain conditions as set forth in the gift instrument. Failure to fulfill these conditions could require the return of funds to donors. As the Foundation only accepts those gifts for which it agrees to the terms and conditions contained in the gift instrument, the Foundation believes this contingency is remote.

Use of Estimates

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

Cash and Cash Equivalents

The Foundation considers financial instruments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents held as a portion of the Foundation's endowment portfolio are classified as investments and are not considered to be cash equivalents.

Investments

In accordance with the standards in FASB ASC, investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Promises to Give

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current receivables. Promises to give due in subsequent years are reflected as long-term receivables and are classified as temporarily restricted net assets. The Foundation uses the allowance method to determine uncollectible unconditional promises to give based on management's analysis of specific promises made. At December 31, 2013 and 2012, no allowance was deemed necessary.

Furniture, Equipment and Depreciation

Purchased furniture, equipment, and improvements are carried at cost. Donated equipment is recorded at its estimated fair market value on the date of contribution. Gifts of long-term assets are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation of property and equipment is provided over the estimated useful lives of 3 to 7 years for the respective assets on a straight-line basis. The Foundation's capitalization policy is to capitalize any fixed asset expenditures costing more than $500.

There are no restrictions or limitations on the use of the Foundation's capitalized furniture and equipment.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. The advertising and promotion costs for the years ended December 31, 2013 and 2012 were $0 and $4,092, respectively.

Functional Allocation of Expenses

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

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a)(1) of the Code. Tax years that remain open to examination by the Internal Revenue Service are years 2010 through 2013.

Reclassification

As discussed in Note 13, board-designated quasi-endowments were expanded to include donor advised funds managed as endowments. The expansion of this disclsoure required the 2012 comparative net asset amounts to also include the applicable amount of donor advised funds as board-designated quasi-endowments. The expansion of the board-designated quasi endowment classification had no affect on total unrestricted net assets and total net assets.

Subsequent Events

In 2013, the Foundation received a $600,000 contribution to create a new donor advised fund. Subsequent to year end, the donor transferred the amount in the newly created donor advised fund to another foundation also classified as a 501(c)(3) public charity.

In August 2014, PCCF completed an agreement with Youth Sports Alliance to hold and manage an endowment fund (agency fund). The Youth Sports Alliance goal is to attain a $2 million endowment fund balance in two years. The endowment fund balance is currently $325,000.

Management has evaluated subsequent events through August 28, 2014, the date when the financial statements were available to be issued.

NOTE 3 - FINANCIAL INSTRUMENTS

The Foundation maintains its cash balances at two financial institutions. These balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. At December 31, 2013 and 2012, the Foundation's cash balances were $2,149,417 and $570,554 in excess of the insured limits, respectively.

NOTE 4 - PROMISES TO GIVE

Unconditional promises to give at December 31, are as follows:

	2013	2012
Receivable in less than one year	$ 193,395	$ 91,393
Receivable in one to five years	174,500	72,500
Total unconditional pledges receivable	367,895	163,893
Less discounts to net present value	(11,809)	(2,590)
Net unconditional promises to give	$ 356,086	$ 161,303

Pledges receivable in more than one year are discounted at 3%. One donor represented approximately 54% of promises to give at December 31, 2013; no other donor represented more than 10% of promises to give at December 31, 2013. Four donors represented in excess of 10% of promises to give at December 31, 2012 at 22%, 15%, 14% and 11%.

NOTE 5 - PROPERTY, EQUIPMENT AND DEPRECIATION

A summary of property and equipment and accumulated depreciation at December 31 follows:

	2013	2012
Web creation	$ 27,665	$ 27,665
Database software	15,639	22,365
Furniture and fixtures	4,065	3,065
Equipment	23,187	12,076
Total property and equipment	70,556	65,171
Accumulated depreciation	(62,282)	(58,522)
Fixed assets, net	$ 8,274	$ 6,649

Depreciation expense for the years ended December 31, 2013 and 2012, totaled $3,761 and $4,509, respectively.

NOTE 6 - INVESTMENTS

Investments are carried at market or appraised value, and realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets. Investment earnings available for distribution are recorded in unrestricted net assets. All long-term investments have readily determinable fair values. Investments as of December 31, are summarized as follows:

	2013	2012
Money market funds	$ 748,786	$ 162,181
Fixed income	1,400,766	918,549
Equities	2,187,917	1,349,717
Investments at fair value	$ 4,337,469	$ 2,430,447

The Foundation holds all of its investments in the custody of one financial institution. The financial institution carries out investment and securities transactions through its broker affiliate. At December 31, 2013 and 2012, the Foundation's uninsured non-cash investments were $3,588,684 and $1,930,447, respectively.

NOTE 7 - FAIR VALUE MEASUREMENTS

The fair value of assets reported in the financial statements are measured as follows:

Assets measured at fair value on a recurring basis -

		Fair value measurements at reporting date using		
Description	Carrying Amount at 12/31/2013	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
Available-for-sale securities	$ 4,337,469	$ 4,337,469	$ -	$ -

Description	Carrying Amount at 12/31/2012	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
Available-for-sale securities	$ 2,430,447	$ 2,430,447	$ -	$ -

NOTE 8 - PERFORMANCE ACCOUNT FUND

The Foundation entered into an agreement during the year ended December 31, 2013 in which the Foundation will hold cash funds on behalf of, and received from, another non-profit organization. The cash funds are in a bank account separate from all other Foundation cash funds as required by the agreement. As the other non-profit organization meets certain criteria in regards to its projects the Foundation will distribute the cash funds to a third party. The agreement is long term and may last up to twelve years. Although the funds are in the Foundation's name, the Foundation is holding the funds as a nominee and is reliant upon third parties to indicate when a disbursement is to be made and to whom it shall be made. The Foundation will receive annually a nominal fee for managing the fund. Any remaining funds when the agreement is terminated are to be returned to the other non-profit organization. Funds received and relating to the agreement are classified in the statement of financial position as both an asset and liability titled "Performance account."

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2013 and 2012, consist of time-restricted unconditional promises to give of $276,309 and $161,303, respectively. The remaining $79,777 of the total promises to give of $356,086 as shown in Note 4 are classified as permanently restricted net assets due to donor imposed restrictions. In addition, at December 31, 2013 and 2012, temporarily restricted net assets include $21,945 and $1,693, respectively, of unappropriated net endowment earnings as discussed in Note 11 and Note 13.

NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions of $123,263 in 2013 and $267,253 in 2012 represent amounts received during the year from unconditional promises to give that are no longer subject to time restrictions.

NOTE 11 - ENDOWMENT POLICY OBJECTIVES

The long term financial objective of the funds is to provide the Foundation's ongoing programs with a relatively stable stream of spendable revenue that increases over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index. If this objective is to be achieved over the long term, the value of the funds, net of withdrawals, must also increase at least as fast as the rate of inflation.

In order to achieve the aforementioned financial objective, the long term return objective for the funds is to attain an inflation-adjusted total returns (net of investment management fees) at least equal to the contemplated spending rate which is expected to average 5% over time, within the agreed Foundation risk parameters. As investment returns are cyclical, the funds will have to exceed the objective substantially during some periods in order to compensate for shortfalls during other periods; hence evaluation of progress toward this objective is made with a long term perspective. It is recognized that this objective implies an investment portfolio with a material component of equity securities and consequent market price volatility.

NOTE 12 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at December 31, 2013 and 2012, are restricted to investment in perpetuity, the income from which is expendable as specified below.

The Foundation has interpreted state law and the Uniform Management of Institutional Funds Act (UPMIFA) as requiring the Foundation to preserve the historical dollar value of permanently restricted endowments and to appropriate an amount of net appreciation as is prudent. As a result, the original value of initial contributions and the original value of subsequent contributions to the permanent endowments are classified as permanently restricted net assets. Absent any specific donor stipulations, investment earnings are classified as temporarily restricted net assets until appropriated.

The Foundation may appropriate up to 5% annually of the fair market value of permanently restricted endowments to fund operations for the respective endowment beneficiaries (Leadership Park City and Park City Performing Arts) and to fund program grants from the Women's Giving Fund. The appropriations are calculated on the basis of quarterly market values averaged over a period of not less than three years immediately preceding the year in which the appropriation for expenditure was made. In the event a permanently restricted endowment fund has been in existence fewer than three years, the fair market value of the endowment fund shall be calculated for the period of time the endowment fund has been in existence. Any return in excess of these appropriations is reinvested in the endowment and is shown on the statement of financial position as temporarily restricted net assets. In such years when a deficiency occurs, such deficiencies are offset against unrestricted net assets. There was no such deficiency for the years ended December 31, 2013 and 2012. The Foundation may charge up to 2% of the fair market value of a permanently restricted endowment calculated on a pro-rata quarterly basis for administrative oversight and program management costs.

Appropriation decisions within the above policy parameters are recommended by the Investment and Finance Committee with final approval by the Board of Directors. For the year ended December 31, 2013 and 2012, in accordance with the policy described in the preceding paragraph, the Board appropriated 5% of the fair market value of the permanently restricted endowments for use by the endowment beneficiaries. No amount was appropriated for the Women's Giving Fund; when the fund reaches $1 million in contributions, the general appropriation policy will be followed.

As of December 31, historical dollar value of permanently restricted net assets are as follows:

	2013	2012
Leadership Park City	$ 5,530	$ 5,100
Park City Performing Arts	500	500
Women's Giving Fund	695,201	-
Total	$ 701,231	$ 5,600

NOTE 13 - BOARD-DESIGNATED QUASI-ENDOWMENTS

Board designated quasi-endowments, included in unrestricted net assets, consist of the following at December 31, 2013 and 2012 as follows:

	2013	2012
Foundation Operating quasi-endowment	$ 321,468	$ 293,360
Candy Erickson Fund for the Betterment of Park City	67,343	55,927
Donor advised funds managed as endowments	2,794,033	1,872,514
Total Board-Designated net assets	$ 3,182,844	$ 2,221,801

Similar to the Foundation's permanently restricted endowments, the Foundation appropriates up to 7% annually of the fair market value of its own Operating quasi-endowment to Foundation operations, calculated on the basis of quarterly market values averaged over a period of three years immediately preceding the year in which the appropriation for expenditure is made. The Foundation appropriated 5% of its Operating quasi-endowment for the year ended December 31, 2013.

The Candy Erickson Fund for the Betterment of Park City and the Donor advised funds managed as endowments do not have appropriation policies, rather the Foundation approves the disbursement from such quasi-endowments for grants as is necessary.

The donor advised funds managed as endowments have been added for the year ended December 31, 2012 to allow comparison to the amounts at December 31, 2013.

NOTE 14 - ENDOWMENT RECONCILIATION

	Donor Restricted	Board Designated	Total Endowments
Fair market value:			
Beginning balance	$ 7,546	$ 2,221,801	$ 2,229,347
Contributions	695,631	911,284	1,606,915
Realized and unrealized gains (losses)	27,706	250,012	277,718
Investment income	5,675	46,669	52,344
Administrative fees	(4,793)	(20,007)	(24,800)
Other investment and fund expenses	(8,256)	-	(8,256)
Grants	-	(211,915)	(211,915)
Appropriated	(333)	(15,000)	(15,333)
Ending balance	$ 723,176	$ 3,182,844	$ 3,906,020

	Donor Restricted	Board Designated	Total Endowments
Unrestricted	$ -	$ 3,182,844	$ 3,182,844
Temporarily restricted with purpose restrictions	21,945	-	21,945
Permanently restricted	701,231	-	701,231
Totals	$ 723,176	$ 3,182,844	$ 3,906,020

NOTE 15 - LEASES

Effective May 1, 2012 the Foundation entered into a lease agreement for rent at $750 per month through July 31, 2015. The rent charged is discounted approximately $30,000 on an annual basis resulting in the $750 per month agreement. Consequently, both contribution revenue and rent expense have been increased by $30,000.

The Foundation also leases a vehicle with a monthly lease payment of $598 through May 31, 2014, with future lease payments as shown in the following schedule.

Future lease commitments for the years ended December 31:

	Rent	Vehicle
2014	9,000	2,990
2015	5,250	-
	$ 14,250	$ 2,990