Aspen Community Foundation

Financial Report

December 31, 2014

Aspen Community Foundation
(A Colorado Non-Profit Corporation)
December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Aspen Community Foundation

We have audited the accompanying financial statements of Aspen Community Foundation, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from Aspen Community Foundation's 2013 financial statements and, in our report dated May 8, 2014, we expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aspen Community Foundation as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
May 29, 2015

Aspen Community Foundation
(A Colorado Non-Profit Corporation)
Statement of Financial Position
December 31, 2014
(With Comparative Amounts For December 31, 2013)

	2014	2013
Assets:		
Cash	865,565	653,078
Accounts receivable	89,584	78,002
Prepaid and other assets	9,791	10,580
Investments, at fair value	35,056,043	39,289,954
Funds held as agency endowments	2,558,743	2,453,137
Property and equipment, net	89,162	106,670
Total Assets	38,668,888	42,591,421
Liabilities and Net Assets:		
Accounts payable and accrued expenses	2,226,521	884,037
Funds held as agency endowments	2,558,743	2,453,137
Total Liabilities	4,785,264	3,337,174
Net Assets:		
Unrestricted:		
Donor advised	15,933,484	21,200,566
Field-of-interest	1,128,497	1,070,423
Donor designated	8,974	22,292
Scholarship	670,906	537,976
Discretionary	16,068,080	16,348,996
Total unrestricted	33,809,941	39,180,253
Temporarily restricted	23,683	23,994
Permanently restricted	50,000	50,000
Total Net Assets	33,883,624	39,254,247
Total Liabilities and Net Assets	38,668,888	42,591,421

The accompanying notes are an integral part of these financial statements.

Aspen Community Foundation
(A Colorado Non-Profit Corporation)
Statement of Activities
For the Year Ended December 31, 2014
(With Comparative Totals For the Year Ended December 31, 2013)

	2014				2013
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	**Totals**
Revenue, Gains and Support					
Contributions	6,342,458	-	-	6,342,458	9,523,098
Special Events	155,425	-	-	155,425	115,698
Investment income (loss), net of investment fees	1,385,774	3,427	-	1,389,201	4,236,239
Other income	36,299	-	-	36,299	32,027
Net assets released from restrictions:					
Expiration of time restrictions	3,738	(3,738)	-	-	-
Total revenue, gains, and support	7,923,694	(311)	-	7,923,383	13,907,062
Expenses:					
Program services:					
Grants	11,918,535	-	-	11,918,535	8,272,400
Other program expenses	1,043,054	-	-	1,043,054	1,165,817
	12,961,589	-	-	12,961,589	9,438,217
Supporting services:					
Management and general	179,250	-	-	179,250	201,551
Development	153,167	-	-	153,167	205,451
	332,417	-	-	332,417	407,002
Total Expenses	13,294,006	-	-	13,294,006	9,845,219
Change in Net Assets	(5,370,312)	(311)	-	(5,370,623)	4,061,843
Net Assets - January 1	39,180,253	23,994	50,000	39,254,247	35,192,404
Net Assets - December 31	33,809,941	23,683	50,000	33,883,624	39,254,247

The accompanying notes are an integral part of these financial statements.

Aspen Community Foundation
(A Colorado Non-Profit Corporation)
Statement of Cash Flows
For the Year Ended December 31, 2014
(With Comparative Amounts For the Year Ended December 31, 2013)

	2014	2013
Cash Flows From Operating Activities:		
Cash received from contributions	6,330,876	9,514,021
Cash received from interest	153,930	47,573
Cash received from special events	155,425	115,698
Other cash receipts / disbursements	36,302	32,028
Cash paid for grants, goods, and services	(11,927,956)	(9,052,470)
Net Cash Provided (Used) by Operating Activities	(5,251,423)	656,850
Cash Flows From Investing Activities:		
Purchase of fixed assets	(5,271)	(21,236)
Net (purchases) sale of non-cash investments	5,469,181	(762,980)
Net Cash Provided (Used) by Investing Activities	5,463,910	(784,216)
Net Change in Cash and Cash Equivalents	212,487	(127,366)
Cash and Cash Equivalents - Beginning of year	653,078	780,444
Cash and Cash Equivalents - End of year	865,565	653,078
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Change in net assets	(5,370,623)	4,061,843
Adjustments to reconcile:		
Depreciation	22,778	26,922
Net (gain) loss on investment	(1,235,272)	(4,188,667)
(Increase) decrease in prepaid expenses	788	(6,486)
(Increase) decrease in contributions receivable	(11,582)	(9,077)
Increase (decrease) in accounts payable	1,342,488	772,315
Total Adjustments	119,200	(3,404,993)
Net Cash Provided (Used) by Operating Activities	(5,251,423)	656,850

The accompanying notes are an integral part of these financial statements.

Aspen Community Foundation
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2014

1. Organization

The Aspen Community Foundation (the "Foundation") was incorporated in the State of Colorado as a non-profit corporation in 1980 to build philanthropy and support nonprofits throughout the greater Roaring Fork Valley by connecting donors to community needs, building permanent charitable funds, and bringing people together to solve community problems.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

B. Basis of Presentation

The Foundation follows the requirements of Financial Accounting Standards Board Accounting Standards Codification, *Not-for-Profit Entities ("ASC 958")*. Under ASC 958, the Foundation is required to report information regarding its financial position and activities based upon the existence or absence of donor imposed restrictions into these three classes: unrestricted, temporarily restricted, and permanently restricted.

Financial position and activity should be classified as permanently restricted only when both of the following conditions are met:

- The donor gift instrument does not permit invasion of the principal and
- The governing documents of the community foundation do not provide for the invasion of corpus.

C. Cash and Cash Equivalents

The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less, and which are not held by investment managers as part of an investment portfolio, to be cash equivalents.

D. Contributions

The Foundation also follows the requirements of ASC 958 as it relates to contributions. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support based upon the recommendations of the Fiscal and Administrative Officers Group ("FAOG") Report.

Donor-restricted support, including pledges, is recorded as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

2. Summary of Significant Accounting Policies (continued)

E. Contributions Receivable

Unconditional pledges are recognized as revenues in the period the pledge is received. Pledges are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional pledges are recognized when the conditions on which they depend are substantially met.

F. Investments

Investments in marketable equity and fixed income securities with readily determinable fair values are recorded at fair value as required by ASC 958, *Not-for-Profit Entities*.

The fair values for alternative investments represent the Foundation's pro-rata interest in the net assets of each investment and are based on financial information determined and reported by investment managers or on the basis of other information evaluated. Investment income consists of the Foundation's distributive share of any interest, dividends, capital gains and capital losses, generated from the Foundation's investments, as well as the change in fair value of the investments.

Gains and losses attributable to the Foundation's investments are realized and reported upon a sale or disposition of the investment.

G. Fair Value Measurements

The carrying amounts reported in the statement of financial position for cash and cash equivalents, prepaid and other assets, accounts payable and accrued liabilities, approximate fair value because of the immediate or short-term maturities of these financial instruments. The Foundation adopted ASC 820, *Fair Value Measurement and Disclosure* as of January 1, 2008, which among other things requires enhanced disclosures about financial assets that are measured and reported at fair value on a recurring basis. ASC 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial assets at fair value. The hierarchy prioritizes the inputs into the following three levels:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include money-market funds, mutual funds, listed equities, listed derivatives, cash, and cash equivalents. For the Foundation, Level I investments consist of equity securities and mutual funds.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate and government bonds, less liquid and restricted equity securities and certain over-the-counter derivatives. For the Foundation, Level 2 investments consist of money-market funds and pooled investments.

2. Summary of Significant Accounting Policies (continued)

G. Fair Value Measurements (continued)

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include limited partnership interests in corporate private equity and real estate funds, funds of hedge funds, and distressed debt. For the Foundation, Level 3 investments consist of investments made through investment vehicles such as limited partnerships and private corporations which in turn invest in funds of funds, and hedge funds, and fair value charitable remainder trusts.

In certain cases, the inputs used to measure fair value may fall in to different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

H. Funds Held as Agency Endowments

The Foundation follows the reporting requirements of ASC 958 for reporting Agency Endowments. In accordance with ASC 958, certain transfers of assets to the Foundation that are for the benefit of the transferring entity, called agency endowments, are accounted for as a liability by the Foundation and appear in the accompanying Statement of Financial Position as "funds held as agency endowments". The Foundation holds and invests the funds on behalf of the transferring entity. The Foundation has no variance power over the funds. Instead, the funds are distributed to the transferring entity upon request to the Foundation. At December 31, 2014 and 2013, the balance of those funds totaled $2,558,743 and $2,453,137, respectively.

I. Property and Equipment

Property and equipment is stated at cost, or if donated, at the fair value at the date of donation. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the asset's ranging from three to thirty nine years. The Foundation capitalizes all fixed asset purchases over $500 with an estimated useful life of three years or more.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Functional Allocation of Expenses

The costs of providing grants, programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the appropriate programs and supporting services.

2. Summary of Significant Accounting Policies (continued)

L. Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. However, income from activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income.

The Foundation receives income from its investments in limited partnerships that is classified as unrelated business income. For the years ended December 31, 2014 and 2013, the Foundation did not incur taxes for unrelated business taxable income. The Federal information returns of the Foundation are subject to examination by the Internal Revenue Service. The Foundation is no longer subject to examination for tax years prior to 2011.

M. Comparative Data

The financial statements include certain prior year comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2013, from which the comparative totals were derived.

3. Investments

Investments are stated at their estimated fair values (see note 4 below). The Foundation's investment assets, which include private and publicly held investments, are dedicated to providing the financial resources needed to meet the Foundation's grant making, scholarship and other charitable objectives. The Foundation's investments are managed by independent professional investment management firms and are held in various investment structures such as mutual funds and limited partnerships. Marketable and private alternative investments are exposed to various risks that may cause the reported value of the Foundation's investment assets to fluctuate from period to period and result in a material change to the net assets of the Foundation. Investments in equity securities fluctuate in value in response to many factors such as the activities and financial condition of individual companies, business and industry market conditions and the general economic environment.

The value of fixed income securities fluctuates in response to changing interest rates, credit worthiness of issuers and overall economic policies that impact market conditions.

3. Investments (continued)

Investments consisted of the following at December 31, 2014 and 2013:

	2014	2013
Cash equivalents	$ 2,959,969	4,459,104
Domestic equities	9,726,542	7,943,242
Absolute return	6,854,500	7,378,603
International equity	7,360,767	5,950,218
Hedged equity	5,456,680	6,434,906
Fixed income	4,221,167	8,292,261
Private equity	376,288	432,857
Real assets	658,873	851,900
	37,614,786	41,743,091
Less investments held for agency endowments	(2,558,743)	(2,453,137)
	$ 35,056,043	39,289,954

Investment income is summarized as follows:

	2014	2013
Interest and dividend income	$ 163,871	$ 51,434
Net realized and unrealized gains (losses)	1,717,027	4,721,701
Less investment management and advisory fees	(386,000)	(224,000)
Total net investment return	1,494,898	4,549,135
Less agency income	(105,697)	(312,896)
Net investment return excluding agency income	$ 1,389,201	4,236,239

4. Fair Value Measurements

The following table summarizes the valuation of the Foundation's fair value of assets measured on a recurring basis by the above ASC 820 fair value hierarchy levels as of December 31, 2014:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 865,565	865,565	-	-
Investments:				
Cash equivalents	$ 2,959,969	2,959,969	-	-
Domestic equities	9,726,542	9,551,170	-	175,372
Absolute return	6,854,500	-	-	6,854,500
International equities	7,360,767	2,392,442	3,845,327	1,122,998
Hedge equities	5,456,680	-	-	5,456,680
Fixed income	4,221,167	4,221,167	-	-
Private equity	376,288	-	-	376,288
Real assets	658,873	-	-	658,873
	37,614,786	19,124,748	3,845,327	14,644,711
Total	$ 38,480,351	19,990,313	3,845,327	14,644,711

The Foundation measures fair value for Level 3 investments by reviewing financial statements, various reports provided by the fund managers and any analysis done by their investment advisor. The changes in financial assets measured at fair value for which the Foundation has used Level 3 inputs to determine fair value as follows:

	Investments
Balance at December 31, 2013	$ 13,193,113
Total realized gains (losses)	726,282
Total unrealized gains (losses)	127,264
Investment fees	(224,304)
Transfers in (out) of Level 3 type	1,604,827
Purchases, net of distributions	(782,471)
Balance at December 31, 2014	$ 14,644,711

The gains and losses shown above are included in investment income (loss), net of investment fees in the financial statements. There was a net unrealized gain of $127,264 attributable to Level 3 investments still held at December 31, 2014. Transfers between levels in the fair value hierarchy are deemed to have occurred when the composition of a fund that the Foundation is invested in changes.

4. Fair Value Measurements (continued)

The following investments calculate net asset value per share and are measured at fair value:

Investment Strategy	Fair Value (in millions)	Redemption Frequency	Redemption Notice Period	Redemption Restrictions
Absolute return	$1.74	monthly	90 days	Discretionary gate, 2 year lock up
Absolute return	$1.87	annually	45 days	Discretionary gate, 2.25 yr. lock up
Absolute return	$1.48	annually	95 days	Discretionary gate
Hedge equities	$1.82	quarterly	45 days	Discretionary gate, 2 year lock up
Hedge equities	$1.36	quarterly	45 days	Discretionary gate, 1 year lock up
Hedge equities	$2.28	annually	60 days	Discretionary gate
Hedge equities	$1.37	quarterly	30 days	none noted
Real assets	$0.66	quarterly	60 days	Discretionary gate, 1 year lock up

5. Property and Equipment

Property and equipment consists of the following at December 31, 2014 and 2013:

	2014	2013
Office furniture and equipment	$ 21,922	18,530
Computer hardware and software	103,506	101,628
Leasehold improvements	135,663	135,663
	261,091	255,821
Less accumulated depreciation and amortization	(171,929)	(149,151)
	$ 89,162	106,670

Depreciation expense for the year ended December 31, 2014 was $22,778.

6. Net Assets

Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by the donor stipulations on their use. Temporarily restricted net assets are the portion of net assets resulting from contributions or other inflows of assets whose use is limited by donor imposed stipulations that can be removed by the passage of time or action of the organization pursuant to those stipulations. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the contribution as unrestricted. Permanently restricted net assets are the portion of net assets whose use is limited by donor imposed stipulations that cannot be removed by the passage of time or action of the organization. Net assets consist of the following types of internally developed funds:

Donor Advised Funds – The Foundation maintains donor advised funds in which donors are given the opportunity to make recommendations for grants to charities to be paid from the fund. The Foundation keeps control over these funds and makes grants at its sole discretion.

Field-of-interest Funds – The Foundation maintains field-of-interest funds to support a broad array of interests, such as the arts, education, or health. The donor specifies their interests at the time the fund is created. The Foundation then makes grants from these funds to the most appropriate organizations. Field-of-interest funds can also be established to be advised by the donor. The Foundation keeps control over these funds and makes grants at its sole discretion.

6. Net Assets (continued)

Donor Designated Funds – The Foundation maintains donor designated funds to ensure long-term support for one or more specific nonprofit organizations identified by the donor at the time the fund is established. The named organizations receive an annual contribution from the fund. The Foundation keeps control over these funds and makes grants at its sole discretion.

Scholarship Funds – The Foundation maintains scholarship funds brings together students in need and individuals who care about education to enable more students to reach their educational goals. Scholarship funds may be established to benefit a specific school or field of study. The Foundation keeps control over these funds and makes grants at its sole discretion.

Discretionary Funds – Discretionary funds are unrestricted assets which the Foundation keeps control over and makes grants at its sole discretion.

At December 31, 2014, the Foundation had $23,683 of unexpended endowment earnings temporarily restricted to be used for financial assistance to alpine skiers in the Aspen Valley Ski/Snowboard Club who have genuine potential for growth within the ranks of amateur racing.

At December 31, 2014 and 2013, permanently restricted net assets consist of the Rip McManus Endowment in the amount of $50,000. The Rip McManus Endowment Fund was established in the memory of former Olympic ski racer Rip McManus and income from the fund is to be used for financial assistance to alpine skiers in the Aspen Valley Ski/Snowboard Club who have genuine potential for growth within the ranks of amateur racing. As required by generally accepted accounting principles, net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The State of Colorado adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective September 1, 2008. Accordingly, the Foundation adopted ASC 958-205-45-28, *Not-for-Profit Entities, Presentation of Financial Statements, Other Presentation Matters, Classification of Donor-Restricted Endowment Funds Subject to UPMIFA,* and Enhanced Disclosures for All Endowment Funds. There was no effect on the Foundation's financial statements as a result of adopting ASC 958-205-45-28.

The Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original fair value of gifts donated to the permanent endowment, (b) the original fair value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other Foundation resources
7. The investment policies of the Foundation

6. Net Assets (continued)

The Foundation's endowment net assets consisted of the following as of December 31, 2014:

Temporarily restricted net assets	$	23,683
Permanently restricted net assets	$	50,000

Following are the changes in the endowment net assets for the year ended December 31, 2014:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at December 31, 2013	$ 23,994	50,000	73,994
Net appreciation (realized and unrealized)	3,427	-	3,427
Appropriation of endowment assets for expenditure	(3,738)	-	(3,738)
Endowment net assets at December 31, 2014	$ 23,683	50,000	73,683

A. Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. At December 31, 2014 there was no such deficiency.

B. Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to maximize utilization of investments in income-producing instruments which preserve principal, maximize income commensurate with risk, provide liquidity to help ensure adequate reserves, and fit within the Foundation's preference of acceptable principal and interest risk.

C. Strategies Employed for Achieving Objectives

The Foundation relies on a return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

D. Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year a prudent amount for the funding of financial assistance to alpine skiers in the Aspen Valley Ski/Snowboard Club who have genuine potential for growth within the ranks of amateur racing. During 2014 and 2013, $3,000 and $3,000, respectively, was distributed from the endowment fund.

7. Employee Benefit Plan

The Foundation has a 401K pension plan covering all eligible full-time employees. Employees are able to contribute up to 15% of their salaries to the plan. Full-time employees are eligible for employer contributions to the plan upon the employee's attainment of age 21. Plan contributions are made at the discretion of the Foundation's Board of Directors. The contributions vest 100% to the employee's benefit over a six year graded vesting schedule. The Foundation's contributions, net of forfeitures, under the plan were $53,780 and $36,781 in 2014 and 2013, respectively.

8. Leases

The Foundation leases office space in Aspen under an extended operating lease agreement that required monthly payments through September 30, 2015. The Foundation pays its share of utilities which are prorated among the building tenants based upon actual expenses and space leased. The Foundation also leases office space in Carbondale, under a lease agreement which requires monthly payments through December 2015. Future minimum lease payments, due during 2015, required under operating leases that have initial or remaining terms in excess of one year, are $26,265.

Rent expense, including utilities, trash and parking, was $42,130 and $41,150 in 2014 and 2013, respectively.

9. Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of money market accounts, investment securities, and contributions receivable.

The Foundation places its temporary cash and money market accounts with creditworthy, high-quality financial institutions. From time to time, there may be a portion of the funds are not insured by the FDIC or a related entity, but the Foundation’s policy is to move cash into insured deposits as soon as possible.

The Foundation has significant investments and is therefore subject to concentrations of credit risk. Investments are made by investment managers engaged by the Foundation and the investments are monitored for the Foundation by an investment advisor. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Foundation and its beneficiaries.

Credit risk with respect to contributions receivable is limited due to the number and credit worthiness of the individuals who comprise the contributor base.

10. Subsequent Events

Management has evaluated subsequent events through May 29, 2015, the date these financial statements were available to be issued.