

Financial Statements

FRIENDS OF GREAT SMOKY
MOUNTAINS NATIONAL PARK

Year Ended December 31, 2014

TABLE OF CONTENTS

	<u>Page Nos.</u>
INDEPENDENT ACCOUNTANTS' AUDIT REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4-6
Statement of Cash Flows	7
Notes to the Financial Statements	8-18

INDEPENDENT ACCOUNTANTS' AUDIT REPORT

Board of Directors
Friends of Great Smoky Mountains National Park
Sevierville, Tennessee

We have audited the accompanying financial statements of Friends of Great Smoky Mountains National Park, 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.

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 misstatements, whether due to fraud or error.

Auditors' 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 auditors' 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 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 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 opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Friends of Great Smoky Mountains National Park as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Mitchell Emert + Hill

March 23, 2015

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

STATEMENT OF FINANCIAL POSITION

December 31, 2014

ASSETS

CURRENT ASSETS

Cash		\$ 4,645,931
Certificates of deposit		184,847
Prepaid expenses		37,540
Accounts receivable		<u>192,958</u>

TOTAL CURRENT ASSETS 5,061,277

INVESTMENTS 5,057,681

PROPERTY AND EQUIPMENT

Computer equipment	\$ 66,095	
Office equipment	83,619	
Leasehold improvements	<u>56,631</u>	
	206,345	
Accumulated depreciation	<u>(134,352)</u>	71,993

OTHER ASSETS

Beneficial interest in assets held by others	216,890	
Deposit	<u>275</u>	<u>217,165</u>

\$ 10,408,115

See the accompanying notes to the financial statements.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable		\$ 25,820
Deferred revenue		<u>189,451</u>

TOTAL CURRENT LIABILITIES

215,271

NET ASSETS

Unrestricted	\$ 1,982,021	
Temporarily restricted	3,603,782	
Permanently restricted	<u>4,607,040</u>	<u>10,192,844</u>

\$10,408,115

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

STATEMENT OF ACTIVITIES

Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
SUPPORT AND REVENUE				
Contributions and grants	\$ 458,809	\$ 776,334	\$ 73,742	\$ 1,308,885
Less: Amounts designated by donors for other organizations	0	(13,600)	0	(13,600)
License plate revenue:				
State of Tennessee	368,653	0	0	368,653
State of North Carolina	425,680	0	0	425,680
Special events, net of direct expenses	351,062	0	0	351,062
In-kind contributions	74,415	0	0	74,415
Investment income net of expenses	1,263	339,605	2,650	343,518
	1,679,883	1,102,339	76,392	2,858,614
 Net assets released from restrictions	 1,321,709	 (1,321,709)	 0	 0
	3,001,592	(219,370)	76,392	2,858,614
 EXPENSES				
Program services:				
Park projects	2,810,684	0	0	2,810,684
Salaries	116,053	0	0	116,053
Payroll taxes	8,878	0	0	8,878
Employee benefits	1,191	0	0	1,191
Rent	6,226	0	0	6,226
Insurance	9,081	0	0	9,081
Office	3,149	0	0	3,149
Computer	2,653	0	0	2,653
Travel	5,942	0	0	5,942
Utilities	1,150	0	0	1,150
Telephone	2,614	0	0	2,614
	2,967,621	0	0	2,967,621

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

STATEMENT OF ACTIVITIES

(continued)

Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Management and general:				
Salaries	136,772	0	0	136,772
Payroll taxes	10,463	0	0	10,463
Employee benefits	1,403	0	0	1,403
Rent	21,087	0	0	21,087
Utilities	2,268	0	0	2,268
Insurance	10,703	0	0	10,703
Telephone	3,081	0	0	3,081
Accounting and legal	13,100	0	0	13,100
Bank charges	15,592	0	0	15,592
Computer services	3,127	0	0	3,127
Meals and entertainment	5,939	0	0	5,939
Supplies	3,711	0	0	3,711
Postage	13,944	0	0	13,944
Repairs and maintenance	1,725	0	0	1,725
Dues and subscriptions	3,679	0	0	3,679
Travel	9,126	0	0	9,126
Printing	4,214	0	0	4,214
Depreciation	5,002	0	0	5,002
Board	18,324	0	0	18,324
Volunteer support	1,676	0	0	1,676
Miscellaneous	6,920	0	0	6,920
	<u>291,854</u>	<u>0</u>	<u>0</u>	<u>291,854</u>

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

STATEMENT OF ACTIVITIES

(continued)

Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Fundraising:				
Salaries	230,505	0	0	230,505
Payroll taxes	17,444	0	0	17,444
Employee benefits	2,313	0	0	2,313
Rent	12,092	0	0	12,092
Utilities	1,321	0	0	1,321
Insurance	17,638	0	0	17,638
Telephone	5,078	0	0	5,078
Office	6,116	0	0	6,116
Printing	31,321	0	0	31,321
Computer	5,153	0	0	5,153
Travel	11,541	0	0	11,541
Advertising and promotion	31,271	0	0	31,271
Newsletter	10,936	0	0	10,936
Public relations	38,563	0	0	38,563
Telethon	39,197	0	0	39,197
	<u>460,485</u>	<u>0</u>	<u>0</u>	<u>460,485</u>
	<u>3,719,960</u>	<u>0</u>	<u>0</u>	<u>3,719,960</u>
CHANGE IN NET ASSETS	(718,368)	(219,370)	76,392	(861,346)
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>2,700,389</u>	<u>3,823,152</u>	<u>4,530,648</u>	<u>11,054,189</u>
NET ASSETS AT THE END OF THE YEAR	<u>\$ 1,982,021</u>	<u>\$ 3,603,782</u>	<u>\$ 4,607,040</u>	<u>\$ 10,192,844</u>

See the accompanying notes to the financial statements.

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

STATEMENT OF CASH FLOWS

Year Ended December 31, 2014

CASH PROVIDED(USED) BY OPERATING ACTIVITIES

Change in net assets		\$ (861,346)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	\$ 5,002	
(Increase)decrease in:		
Prepaid expenses	(7,944)	
Pledges receivable	32,920	
Accounts receivable	(14,747)	
Increase(decrease) in:		
Accounts payable	15,382	
Deferred revenue	<u>(49,149)</u>	<u>(18,536)</u>

NET CASH (USED) BY OPERATING ACTIVITIES (879,881)

CASH PROVIDED(USED) BY INVESTING ACTIVITIES

(Increase) in certificates of deposit	(1,842)
(Increase) in endowments	<u>(162,783)</u>

NET CASH (USED) BY INVESTING ACTIVITIES (164,624)

NET (DECREASE) IN CASH (1,044,506)

CASH AT THE BEGINNING OF THE YEAR 5,690,437

CASH AT THE END OF THE YEAR \$ 4,645,931

See the accompanying notes to the financial statements.

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE A - DESCRIPTION OF ORGANIZATION

Friends of Great Smoky Mountains National Park (Friends of the Smokies) is a nonprofit North Carolina corporation with offices in Sevierville, Tennessee and Waynesville, North Carolina. Friends of the Smokies was established in 1993 to assist the National Park Service in its mission to preserve and protect the Great Smoky Mountains National Park by raising funds and public awareness, and providing volunteers for needed projects.

Friends of the Smokies primary purposes are to preserve, restore, and enhance the natural beauty and features, the ecological systems and the cultural and historical heritage of Great Smoky Mountains National Park; to enhance educational, interpretive, and research opportunities relating to Great Smoky Mountains National Park; to increase public awareness, enjoyment, and appreciation of Great Smoky Mountains National Park; to support the efforts of the National Park Service and other organizations and individuals in furtherance of the foregoing, and to provide support and assistance to the National Park Service in constructing or improving park facilities such as trails, visitor centers, and support facilities to better serve the visiting public.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions they may undertake in the future, actual results could differ from those estimates. Estimates are used when accounting for fair value of pledges, allowances for uncollectible receivables, depreciation, allocation of expenses, and contingencies, among others.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing deposits. For purposes of the statement of cash flows, Friends of the Smokies considers cash on deposit with financial institutions and all cash investments with original maturities of three months or less to be cash and cash equivalents.

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

Property and Equipment

Property and equipment are recorded at cost or estimated cost if actual cost is not available. Donated property and equipment are recorded at the estimated fair value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Depreciation expense for the year ended December 31, 2014 was \$5,002.

Support and Revenue

Contributions are recorded as support when cash or other assets are received. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Gifts of cash and other assets that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted grants and contributions whose restrictions are met in the same reporting period as they are received are reported as unrestricted. Revenue from services is recognized when the service is rendered.

Contributions of property and equipment and other long-lived assets with explicit restrictions that specify how the assets are to be used, including cash contributed to acquire such assets, are recorded as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the expiration of donor restrictions is reported when the donated or acquired assets are placed in service.

Agency Transactions

Friends of the Smokies acts as an agent in certain cases to facilitate the receipt and transfer of charitable gifts to other organizations that benefit the Great Smoky Mountains National Park. Contributions received are recorded by Friends of the Smokies as revenue. Designated contributions disbursed to other organizations are presented in the accompanying statement of activities as a reduction of support and revenue.

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are charged to program services, management and general and fundraising functions based on direct expenses incurred. Indirect expenses are allocated among the program and supporting services benefited.

State License Plate Revenue

State of Tennessee has provided for the sale of specially earmarked Friends of Great Smoky Mountains National Park license plates. The funds produced from the sale of such plates, less the expense incurred in designing and manufacturing the plates, are deposited in a State of Tennessee general fund reserve account known as the Friends of Great Smoky Mountains endowment fund. The endowment fund maintains a principal balance of \$500,000. All revenue produced from the sale of the plates and the earned interest of the fund are to be used exclusively for the assistance of the National Park Service in the care of the Great Smoky Mountains National Park. The State of Tennessee Commissioner of Finance and Administration makes disbursements of such funds on a quarterly basis to Friends of the Smokies.

State of North Carolina has approved Friends of the Smokies as one of the organizations participating in its state attraction license plates program. Quarterly distributions are made to the specific organizations, based upon each organization's proportion of state attraction plates sold. The revenue received from the sale of such plates, is to be used for educational materials, preservation programs, capital improvements for the portion of the park that is located in North Carolina, and operating expenses of the park.

Income Taxes

Friends of the Smokies is exempt from federal income taxes under section 501(c)(3) of the U.S. Internal Revenue Code, except on unrelated business income. Friends of the Smokies had no unrelated business income for the year ended December 31, 2014. Friends of the Smokies' income tax filings are open and subject to examination by the Internal Revenue Service generally for three years after they are filed. However, Friends of the Smokies is not currently under audit nor has Friends of the Smokies been contacted by this jurisdiction. Friends of the Smokies believes that it has appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

NOTE C - INVESTMENTS

Investments are carried at fair value. Fair value is determined based on quoted prices in active markets for identical assets (considered Level 1 in the fair value hierarchy). Long-term investments at December 31, 2014 consisted of the following:

Equity securities	\$ 4,807,616
Fixed income	<u>250,065</u>
	<u>\$ 5,057,681</u>

Realized and unrealized gains and losses are determined on the basis of specific identification. Investment income includes income from investments, checking and savings accounts and certificates of deposit. Investment income for the year ended December 31, 2014 consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Interest and dividends	\$ 1,263	\$ 99,771	\$ 2,138	\$ 103,172
Realized gain	0	57,426	11,361	68,787
Unrealized gain(loss)	0	200,207	(5,549)	194,658
Expenses	<u>0</u>	<u>(17,799)</u>	<u>(5,301)</u>	<u>(23,100)</u>
	<u>\$ 1,263</u>	<u>\$ 339,605</u>	<u>\$ 2,650</u>	<u>\$ 343,518</u>

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

NOTE D- LEASE OBLIGATIONS

Friends of the Smokies leases two office facilities under operating leases. The lease agreement for the office space in Tennessee will expire in July 2016. The lease agreement for office space in North Carolina is renewed annually. Rent expense for the year ended December 31, 2014 was \$39,405, net of sublease income.

Future minimum lease payments are as follows:

Year Ending
December 31,

2015	\$ 40,716
2016	23,751

NOTE E - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject Friends of the Smokies to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are maintained in demand deposit accounts which, at times, may exceed federally insured limits. Friends of the Smokies has not experienced any losses and does not believe it is exposed to any significant credit risk on such accounts. By their nature, all such financial instruments involve risk, including the credit risk of nonperformance by counterparties. Exposure to credit risk is managed through various monitoring procedures. At December 31, 2014, Friends of the Smokies had no major concentrations of credit risk except for uninsured bank deposits.

NOTE F - RETIREMENT

Friends of the Smokies provides an IRA retirement savings plan for employees. All full-time employees who have completed a 90 day probationary period are eligible to participate. The first three percent of employee contributions are matched by Friends of the Smokies. Contributions made on behalf of employees during the year ended December 31, 2014 were \$4,907.

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

NOTE G - DONATED MATERIALS AND SERVICES

Donated materials and services are recorded in the financial statements at their estimated fair market value. The donated materials and services for the year ended December 31, 2014 were as follows:

Fundraising:	
Special events food, lodging and supplies	\$ 36,938
Marketing and promotion	25,108
Website design	11,130
Management and general:	
Board expenses	709
Other	<u>529</u>
	<u>\$ 74,415</u>

NOTE H- TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of cash and temporary investments held for the following purposes:

Smokies Fund (for administration and operation)	\$ 596,482
National Park Service	1,012,404
Greenbriar renovations	403,794
Trails Now	13,348
Trails Forever endowment earnings	1,193,670
Parks as Classrooms	140,107
Scholarships	35,408
Brook Trout restoration	78,990
Purchase Knob-Burroughs Welcome	38,222
Tree protection and preservation	88,866
Oconoluftee Visitor Center	1,450
Other	<u>941</u>
	<u>\$ 3,603,782</u>

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

NOTE I - NET ASSETS RELEASED FROM RESTRICTIONS

Friends of the Smokies incurred expenses for the following projects:

	Release of Temporarily Restricted Net Assets	Unrestricted Net Assets	Totals
Park amenities/facility improvements	\$ 34,575	\$ 9,100	\$ 43,675
Appalachian Bear Center	9,125	0	9,125
Cabin preservation/restoration	23,236	9,665	32,900
Collection preservation center	700,000	1,248,123	1,948,123
Discover life in America	750	5,000	5,750
Air/water quality research	0	85,000	85,000
Trail and shelter management	240,931	31,975	272,906
Parks as Classrooms	171,634	11,760	183,394
Cades Cove projects	31,600	0	31,600
Park interns and student conservation assistants	35,693	45,222	80,915
Purchase Knob Science Learning Center	2,890	20,961	23,851
Tree protection and preservation	22,500	5,500	28,000
Other parkwide initiatives	48,776	16,669	65,445
	<u>\$ 1,321,709</u>	<u>\$ 1,488,975</u>	<u>\$ 2,810,684</u>

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

NOTE J - PERMANENTLY RESTRICTED NET ASSETS/ENDOWMENT

Friends of the Smokies endowment consists of approximately seven funds established for a variety of purposes. All of the endowment funds are donor-restricted. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. As of December 31, 2014, all endowment net assets are permanently restricted, the income from which is expendable to support the following purposes:

Brook Trout Fisheries Scholarship	\$ 18,177
Other scholarships	45,766
Trails Forever endowment	<u>4,326,207</u>
	4,390,150
Funds held by others for the benefit of Friends of Great Smoky Mountains National Park:	
The Community Foundation of Western North Carolina	78,193
East Tennessee Foundation	<u>138,697</u>
	<u>216,890</u>
	<u>\$ 4,607,040</u>

Interpretation of Relevant Law

The Board of Directors of Friends of the Smokies has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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, Friends of the Smokies classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the directions 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 organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

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

Spending Policy

Endowment distributions are limited to no more than five percent of the average market value for the previous twelve quarters of each endowment fund. Distributions from The Community Foundation of Western North Carolina are made in accordance with donor stipulations. Total distributions for the year ended December 31, 2014 were \$2,890.

Investment Return Objective, Risk Parameters and Strategies

Endowments are invested in corporate stocks, money market accounts and certificates of deposit. Friends of the Smokies is developing investment and spending policies, to be approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The goal of the endowment is to exist in perpetuity, and therefore, provide funding in perpetuity.

Two of Friends of the Smokies endowment funds are held and administered by East Tennessee Foundation and The Community Foundation of Western North Carolina for the benefit of Friends of the Smokies with the income distributed to Friends of the Smokies annually. Friends of the Smokies has granted the foundations variance power, which is defined as the power to modify any restriction or condition on the distribution of funds for the specified charitable purposes or to a specified organization, in the sole judgment of the foundation's board, such restrictions or conditions become, in effect unnecessary, undesirable, impracticable, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

Assets held by the foundations for the benefit of Friends of the Smokies are recorded in the accompanying statement of financial position as beneficial interest in assets held by others.

Changes in endowment net assets held by East Tennessee Foundation and The Community Foundation of Western North Carolina for the year ended December 31, 2014 were as follows:

Balance at December 31, 2013	\$ 214,241
Interest and dividends	2,138
Unrealized gain	(5,549)
Realized gain	11,361
Distribution	(2,890)
Endowment fees	<u>(2,411)</u>
Balance at December 31, 2014	<u>\$ 216,890</u>

Changes in donor-restricted endowment net assets held by Friends of the Smokies for the year ended December 31, 2014 were as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Endowment net assets at the beginning of the year	\$ 920,915	\$ 4,252,464	\$ 5,173,379
Contributions	0	73,742	73,742
Investment return:			
Investment income, net of expenses	69,443	0	69,443
Net appreciation (realized and unrealized)	257,633	0	257,633
Released from restriction	<u>(54,321)</u>	<u>0</u>	<u>(54,321)</u>
Endowment net assets at the end of the year	<u>\$ 1,193,670</u>	<u>\$ 4,326,207</u>	<u>\$ 5,519,876</u>

FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2014

Endowment net assets held by Friends of the Smokies are presented in the financial statements as follows:

Cash	\$ 461,195
Accounts receivable	1,000
Investments	<u>5,057,681</u>
	<u>\$ 5,519,876</u>

NOTE K - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 23, 2015, which is the date the financial statements were available to be issued.