

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

FINANCIAL STATEMENTS

Year Ended December 31, 2018

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

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INDEPENDENT AUDITOR'S REPORT

HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

23720 Pondview Place
Golden, CO 80401
303-694-2727

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Foundation of the Gunnison Valley
Gunnison, Colorado

We have audited the accompanying financial statements of the Community Foundation of the Gunnison Valley (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and related statements of activities, cash flows, and functional expenses 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 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 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 Community Foundation of the Gunnison Valley as of December 31, 2018, 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.

Hamblin and Associates, LLC

Evergreen, Colorado

May 22, 2019

Financial Statements

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

STATEMENT OF FINANCIAL POSITION

December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 286,743	\$ 128,662	\$ 415,405
Investments	<u>1,704,229</u>	<u>5,756,410</u>	<u>7,460,639</u>
Total Current Assets	<u>1,990,972</u>	<u>5,885,072</u>	<u>7,876,044</u>
FIXED ASSETS			
Furniture and equipment	4,882	-	4,882
Computers and Software	31,269	-	31,269
Less accumulated depreciation	<u>(35,776)</u>	<u>-</u>	<u>(35,776)</u>
Net Fixed Assets	<u>375</u>	<u>-</u>	<u>375</u>
OTHER ASSETS			
Real Estate Held for Sale	-	132,400	132,400
Mortgage Receivable	50,998	-	50,998
Investment, Other	20,287	70,982	91,269
Total Other Assets	<u>71,285</u>	<u>203,382</u>	<u>274,667</u>
TOTAL ASSETS	<u>\$ 2,062,632</u>	<u>\$ 6,088,454</u>	<u>\$ 8,151,086</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Agency Obligations	\$ -	\$ 288,600	\$ 288,600
Accounts Payable	<u>7,776</u>	<u>-</u>	<u>7,776</u>
Total Current Liabilities	<u>7,776</u>	<u>288,600</u>	<u>296,376</u>
NET ASSETS			
Without Donor Restrictions			
Board Designated	1,586,278	-	1,586,278
Undesignated	468,578	-	468,578
With Donor Restrictions	<u>-</u>	<u>5,799,854</u>	<u>5,799,854</u>
Total Net Assets	<u>2,054,856</u>	<u>5,799,854</u>	<u>7,854,710</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,062,632</u>	<u>\$ 6,088,454</u>	<u>\$ 8,151,086</u>

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

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions-Available	\$ 243,461	\$ 435,076	\$ 678,537
Interest & Dividend Income	697	65,470	66,167
Realized Gain (Loss)	2	790	792
Unrealized Gain (Loss)	(86,696)	(441,215)	(527,911)
Other Income	77,811	1,765	79,576
Net Assets Released from Restrictions	<u>663,481</u>	<u>(663,481)</u>	<u>-</u>
TOTAL REVENUES	898,756	(601,595)	297,161
 EXPENSES			
Program services expense	626,045	-	626,045
Supporting services expense			
Management and general	242,205	-	242,205
Fundraising	<u>30,180</u>	<u>-</u>	<u>30,180</u>
Total supporting services expenses	<u>272,385</u>	<u>-</u>	<u>272,385</u>
TOTAL EXPENSES	<u>898,430</u>	<u>-</u>	<u>898,430</u>
 TOTAL CHANGE IN NET ASSETS	326	(601,595)	(601,269)
 NET ASSETS, Beginning of the Year	<u>2,054,530</u>	<u>6,401,449</u>	<u>8,455,979</u>
 NET ASSETS, End of the Year	<u><u>\$ 2,054,856</u></u>	<u><u>\$ 5,799,854</u></u>	<u><u>\$ 7,854,710</u></u>

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

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

STATEMENT OF CASH FLOWS

Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Change in net assets	\$ 326	\$ (601,595)	\$ (601,269)
Noncash Items			
Realized gain on investments	(2)	(790)	(792)
Unrealized gain on investments	(86,696)	441,215	354,519
Depreciation	450	-	450
Change in Agency Obligations	(78,642)	-	(78,642)
Change in Accounts Payable	78	-	78
Net cash provided by operating activities	<u>(164,486)</u>	<u>(161,170)</u>	<u>(325,656)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net asset release and reclassifications	<u>117,227</u>	<u>(29,023)</u>	<u>88,204</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(47,259)	(190,193)	(237,452)
CASH AND CASH EQUIVALENTS, Beginning	<u>334,002</u>	<u>318,855</u>	<u>652,857</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 286,743</u>	<u>\$ 128,662</u>	<u>\$ 415,405</u>

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

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	<u>Program services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Grants to organizations	\$ 491,849	\$ -	\$ -	\$ 491,849
Grants to individuals	2,000	-	-	2,000
Executive Director expense	25,925	43,209	17,283	86,417
Salaries	24,136	39,928	29,479	93,543
Other employee benefits	1,109	1,835	1,355	4,300
Payroll taxes	1,616	2,673	1,973	6,262
Fees for service - accounting	-	27,400	-	27,400
Fees for service - grantmaking	14,625	1,625	-	16,250
Advertising and promotion	-	11,602	5,350	16,952
Office expenses	5,631	11,262	5,631	22,524
Information technology	3,483	6,966	3,483	13,932
Occupancy	3,822	7,645	3,822	15,289
Travel	-	423	-	423
Meetings	-	133	-	133
Depreciation	-	450	-	450
Insurance	554	1,108	554	2,216
Programs for non-profits	10,610	-	-	10,610
Events	-	-	14,874	14,874
Education & professional development	6,572	-	-	6,572
CFGV Admin fee	66,169	-	-	66,169
Miscellaneous	-	265	-	265
	<u>\$ 658,102</u>	<u>\$ 156,523</u>	<u>\$ 83,805</u>	<u>\$ 898,430</u>
	73.3%	17.4%	9.3%	

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

Notes to the Financial Statements

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 1 NATURE OF THE FOUNDATION

Gunnison Area Foundation (the Foundation) was incorporated in July 1997, as a not-for-profit corporation in the State of Colorado. In 2004, the name was changed to the Gunnison Area Community Foundation. In 2007 the Foundation changed its name to "Community Foundation of the Gunnison Valley". The Foundation was organized for the purpose of providing a permanent entity to manage resources to help build community for the benefit of all residents of the Gunnison Watershed. The Foundation combines charitable giving by individuals and groups to meet area needs that are not possible or are more difficult to achieve without the united effort of many community members. The Foundation's support comes from business and individual donor contributions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Foundation has adopted "Financial Statements of Not-for-Profit Foundations." Under this standard, the Foundation is required to report information regarding its financial position according to two classes of net assets based on the existence of or absence of donor-imposed restrictions.

Net Assets Without Donor Restrictions - consists of net assets that are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowments.

Net Assets With Donor Restrictions – consist of net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Foundation has also adopted "Accounting for Contributions Received and Contributions Made." In accordance with this standard, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Basis of accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when the product or service has been received and the liability incurred.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments that are readily convertible into cash within three months of purchase. Cash is pooled to maximize investment results.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as temporarily restricted or permanently restricted and increases those classes of net assets. When a temporary 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.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Donated assets are recorded at estimated fair market value at the time of the donation. Property and equipment are depreciated using the straight line method over estimated lives ranging from 5 to 25 years.

Agency Endowments and Other Funds Held on Behalf of Others

Agency endowments and other funds held on behalf of others represent assets transferred to the Foundation that are for the benefit of the transferring entity. These funds are accounted for as a liability by the Foundation and appear in the accompanying statements of financial position as "Agency Obligations".

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. Accordingly, certain costs have been allocated by the direct method; other costs have been allocated according to an allocation schema.

Contributed Services

During the year ended December 31, 2018, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stewardship Agreements

The Foundation has entered into several stewardship agreements. The Foundation charges a fee, (ranging from 0.5% to 3%) to collect and disburse the money in relation to these agreements. The Foundation carries amounts not spent at year-end as temporarily restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. The Foundation is treated as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). There was no unrelated business income for 2018.

The Foundation follows the Accounting for *Uncertainty in Income Taxes* accounting standard which requires the Foundation to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The Foundation believes they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are significant to the financial statements. The tax returns for the Foundation for the previous three years, 2014 through 2016, are subject to examination by the IRS, generally within the first three years after initial filing.

Grants

Program grants awarded by the Foundation are recorded as expense and liabilities when they are approved by the Board of Directors and/or the grant committees in accordance with the Foundation's approval process.

NOTE 3 NOTE RECEIVABLE

The Foundation holds a note receivable for a mortgage loan made August 1, 2016 for \$64,000 at 4.5% annual interest, due in monthly payments of \$665.29 with a final payment due August 1, 2026. At December 31, 2018, the balance of the note receivable was \$50,998. Interest received during 2018 was \$2,695.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 4 FIXED ASSETS

Fixed assets consist of the following at December 31, 2018:

	Balance			Balance
	Jan. 1, 2018	Additions	Deletions	Dec. 31, 2018
Furniture & Equipment	\$ 4,882	\$ -	\$ -	\$ 4,882
Computers & Software	31,269	-	-	31,269
Total Fixed Assets	36,151	-	-	36,151
Less Accumulated Depreciation	(35,326)	(450)	-	(35,776)
Net Fixed Assets	<u>\$ 825</u>	<u>\$ (450)</u>	<u>\$ -</u>	<u>\$ 375</u>

Depreciation expense for the year ended December 31, 2018 was \$450.

NOTE 5 INVESTMENTS

Fair Value Measurements

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, the Foundation accounts for its financial instruments, as well as certain assets and liabilities, at fair value. Fair value is defined as the price that would be paid in an orderly transaction, or exit price, between market participants to sell the asset or transfer the liability in the principal or most advantageous market for the asset or liability.

The Foundation is required by generally accepted accounting principles to categorize its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access (examples include exchange-traded equity securities and most U.S. Government and agency securities).

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or use model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in non-active markets (examples may include corporate and municipal bonds, and most over-the-counter derivatives including interest rate and currency swaps).

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 5 INVESTMENTS (Continued)

Fair Value Measurements (Continued)

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs for the asset or liability are typically based on an entity's own assumptions, as there is little, if any, related market activity and reflect assumptions a market participant would use in pricing the asset or liability (examples include certain private equity investments).

Subsequent to initial recognition, the Foundation may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis.

Investments, which are all considered Level 1 investments, as of December 31, 2018 are as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Carrying Value</u>
Mutual Funds	\$ 7,148,048	\$ 7,017,501	\$ 7,017,501
Exchange Traded Funds	300,399	279,418	279,418
Government Money Market	N/A	163,720	163,720
Total	<u>\$ 7,448,447</u>	<u>\$ 7,460,639</u>	<u>\$ 7,460,639</u>

Interest income on cash and cash equivalents was \$68,792. The investments incurred a realized gain of \$822 and an unrealized loss of \$548,119 during the year ended December 31, 2018. Amounts are reported in the funds based on actual earnings, etc. The investments are pooled in order to maximize investment returns.

The investments are reflected on the balance sheet as follows:

Investments - Unrestricted	\$ 1,754,421
Investments - Restricted	<u>5,706,218</u>
Total	<u>\$ 7,460,639</u>

Investments, that are considered Level 3 investments as of December 31, 2018 are recorded as Investment, Other. This investment totals \$91,269 and is reported at approximately fair value. (See Note 14)

NOTE 6 PROMISES TO GIVE

The Foundation did not have any unconditional promises to give at December 31, 2018.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2018

4-H Forever	\$	166,074
Patti Bouchard Bippus Education Fund		4,182
Kids Kount Endowment		134,536
Matthew Van Eaton Memorial Fund		15,562
William B. Endner Fund		3,115,956
Gunnison Arts Center Endowment		205,481
Slate River Alternative Education & Arts Endowment		119,115
Early Childhood Literacy Fund		13,291
Crested Butte Arts Fund		53,365
Donor-Advised Funds		
Acorn 1 Fund		1,857
Fretthold Family Fund		124,395
Anne Lamkin Kinder Fund		100,083
Joanie & Tom Atkinson Family Fund		24,662
Benevolence Alliance of the Gunnison Valley		1,577
Fred & Sue Berry Donor Advised Fund		34,893
Roy & Toni Bliss Fund		14,743
James E. Bertelsmeyer Endowment Fund		14,723
Bill & Lenni Burke Family Fund		353,014
CBMR Community Fund		367
Crested Butte Rotary Foundation		54,821
Comiskey Fund		9,997
Charles & Sharon Daubenberger Fund		32,684
Sandra and Roger Dorf Fund		5,436
William Dorricot 7th Judicial District Drug Court Fund		4,976
Dunbar Family Fund		25,441
Gunnison Valley Education Foundation		11,412
Kathleen Gentry Donor Advised Fund		3,807
GG Gives		1,077
Gunnison Rotary Youth Charitable Fund		30,137
Gunnison Valley Restorative Justice		3,018
Richard & Noelle Hagan Charitable Fund		25,191
Harned Foundation Fund		233
Don Haver Fund		2,373
Hans & Lea Helmerich Charitable Fund		45,242
Hemminghaus Family Fund		217,283
Hickman Family Fund		4,903
MacAllister Family		70,266
MVB Fund		222,898

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

P-Squared	10,787
Resource Engineering Group Fund	94,819
Tom and Stephanie Seymour Family Fund	55,360
Peterson-Tocke Family Fund	389
Nancy Tredway Donor Advised Fund	9,123
Western + CFGV Disaster Relief Fund	232
Nick and Patricia Williams Fund	2,855
Walter Fund	66,275
Paul D. Witt Charitable Fund	34,950
WTR Fund	19,011
Zen for Business	2,792
Fiscal Sponsorship	
Lights & Sirens	1,503
Memorial Flags	3,811
Gunnison Valley Skateboard Alliance	4,039
Ranchers & Sportsmen Together for the Hungry	5,112
Scholarships	
Crested Butte Rotary Scholarship Fund	18,722
Defensive Driving	1,038
De Forst Fund	6,677
Gunnison Memorial Scholarship Fund	85,282
Dan Tredway Excellence in Teaching	52,481
Gunnison Kiwanis Club Scholarship	34,202
Maxwell MacAllister Scholarship Fund	3,960
One Goal, One Passion	806
Designated	
Choice Pass Community Support	4,044
Gunnison High School Fund	2,165
Gunnison Valley School Fund	4
Hurricane Harvey Fund	2
Gunnison Valley Ice Association - Lower Rink	6
LOR Grant Fund	788
Post Rural Philanthropy Days Education Fund	9,294
Marie Hausler Memorial	254
Total Net Assets With Donor Restrictions	<u><u>\$ 5,799,854</u></u>

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the purposes or time restrictions specified by donors as follows:

4-H Forever	\$	8,309
Kids Kount Endowment		13,637
Matthew Van Eaton Memorial Fund		1,402
William B. Endner Fund		247,769
Gunnison Arts Center Endowment		15,571
Early Childhood Literacy Fund		191
Donor-Advised Funds		
Acorn 1 Fund		105
Fretthold Family Fund		17,264
Joanie & Tom Atkinson Family Fund		7,698
Fred & Sue Berry Donor Advised Fund		10,254
Roy & Toni Bliss Fund		1,035
James E. Bertelsmeyer Endowment Fund		1,032
Bill & Lenni Burke Family Fund		57,468
CBMR Community Fund		2,706
Comiskey Fund		694
Charles & Sharon Daubenberger Fund		2,294
Sandra and Roger Dorf Fund		1,341
William Dorricot 7th Judicial District Drug Court Fund		10
Dunbar Family Fund		17,125
Gunnison Valley Education Foundation		3,549
Kathleen Gentry Donor Advised Fund		1,917
GG Gives		1,531
Gunnison Rotary Youth Charitable Fund		2,127
Gunnison Valley Restorative Justice		5
Richard & Noelle Hagan Charitable Fund		5,169
Don Haver Fund		8,337
Hans & Lea Helmerich Charitable Fund		3,174
Hemminghaus Family Fund		16,712
Hickman Family Fund		3,013
MacAllister Family		20,428
MVB Fund		30,230
Okemo Community Challenge Fund		13,179
Tom and Stephanie Seymour Family Fund		4,287
Nancy Tredway Donor Advised Fund		5,861
Paul D. Witt Charitable Fund		19,246
Fiscal Sponsorship		
Ranchers & Sportsmen Together for the Hungry		931

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Purpose Restriction Accomplished (Continued)

Scholarships

Defensive Driving	21
De Forst Fund	382
Gunnison Memorial Scholarship Fund	9,130
Dan Tredway Excellence in Teaching	5,329
Gunnison Kiwanis Club Scholarship	5,604
One Goal, One Passion	54

Designated

Choice Pass Community Support	559
Gunnison High School Fund	124
LOR Grant Fund	96,663
Marie Hausler Memorial	14
Net Assets Released from Restrictions	<u>\$ 663,481</u>

NOTE 8 UNINSURED CASH

At December 31, 2018, funds totaling \$660,285 were held in a financial institution where the FDIC limit was \$250,000. The board is aware of this situation. On an annual basis, the board thoroughly researches the financial institution to determine whether or not funds should be transferred into another institution. At December 31, 2018, the board determined it was not necessary to transfer any funds.

NOTE 9 EXECUTIVE DIRECTOR

On December 16, 2003, the Foundation entered into an agreement with Montgomery Associates, Inc. to provide executive director consulting services. This contract is renewable on an annual basis. The Foundation paid Montgomery Associates, Inc. \$86,417 during the year ended December 31, 2018.

NOTE 10 COMPLIANCE WITH NATIONAL STANDARDS

The Foundation was confirmed in compliance with the National Standards for U.S. Community Foundations on January 23, 2014. Compliance comes following a rigorous examination of the policies and procedures of the Foundation by the Council on Foundations located in Washington D.C.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 11 REAL ESTATE

During the year ended December 31, 2008, the Foundation received assets, including real estate, from the William B. Endner Trust. The assets were transferred to the Foundation with the understanding that the Foundation would establish the William B. Endner Fund, a donor advised permanently restricted fund. During the years ended December 31, 2008 and 2009, four parcels of real estate were sold, and in 2016, additional parcels were sold, leaving a balance of \$132,400 as Real Estate Held for Sale on the Balance Sheet. Real Estate held for sale is carried at donated cost which the Foundation believes is approximately fair value.

NOTE 12 ENDOWMENT FUNDS

On April 21, 2008 the State of Colorado enacted the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA), the provisions of which apply to endowment funds. The Act has an effective date of September 1, 2008 and requires that those responsible for managing and investing endowment funds shall manage and invest the funds in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances. The Foundation classifies as permanently restricted net assets the original value of gifts made to the permanent fund. The remaining portion of the endowment funds that are not classified as permanently restricted net assets are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in accordance with the restrictions placed on the funds by the original giver and in a manner consistent with the standards outlined by UPMIFA.

The Foundation has not adopted a written policy in relation to UPMIFA, but believes that its existing policies in relation to endowment funds are consistent with the standards outlined by UPMIFA.

The Foundation has adopted its Investment Policy as amended by the Board of Directors. This policy has identified the appropriate risk posture for the funds, stated expectations and objectives for the funds, provides asset allocation guidelines and establishes criteria to monitor and evaluate the performance results of the funds manager. The Foundation has not established an expected rate of return.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 12 ENDOWMENT FUNDS (Continued)

Changes in donor-designated endowment net assets for the year ended December 31, 2018:

	<u>Board Designated</u>	<u>Donor Designated</u>	<u>Total</u>
Endowment net assets,			
Beginning of year	\$ 1,561,314	\$ 4,042,726	\$ 5,604,040
Investment income	14,412	41,743	56,155
Net appreciation (realized & unrealized gain/loss)	(131,117)	(352,275)	(483,392)
Contributions	141,669	167,168	308,837
Appropriation of assets for expenditures	-	(81,280)	(81,280)
End of year	<u>\$ 1,586,278</u>	<u>\$ 3,818,082</u>	<u>\$ 5,404,360</u>

Deficiencies

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations. There were no such deficiencies as of December 31, 2018.

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 its endowment while ensuring preservation of the endowment assets. Under this policy, as approved by the Board of Directors, endowment assets are invested to maximize return, minimize risk, and minimize expenses.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Foundation relies on a total return strategy in which investments returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

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Notes to the Financial Statements

December 31, 2018

NOTE 12 ENDOWMENT FUNDS (CONTINUED)

Under the total return method, distributions consist of net investment income and may include a portion of the cumulative realized gains and unrealized gains. The spending rate will be determined annually by the Investment Committee and ratified by the Board based on the trailing 12 quarters of investment results for permanent funds and may vary between 0-5% annually of total permanent fund assets net of investment costs and management fees, provided that permanent funds principal, as adjusted for inflation, is not invaded.

Annual Review and Policy Changes

The Investment Committee shall review the provisions of the policy on an annual basis and report to the Board any recommended changes for the Board's consideration.

NOTE 13 AGENCY ENDOWMENTS

Accounting for receipts in which the donor specifies itself or an affiliate as a beneficiary conforms to the "Transfers of Assets to a Not-for-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others", SFAS No. 136.

During the year ended December 31, 2018, the Agency Obligations decreased to \$288,600. The net change of -\$78,642 is detailed as follows:

Agency contributions	\$ 19,753
Interest & dividends	2,625
Realized gain (loss)	30
Unrealized gain (loss)	(20,208)
Administrative fees	(1,724)
Grants	<u>(79,118)</u>
Net change	(78,642)
Beginning Agency Obligations	<u>367,242</u>
Ending Agency Obligations	<u>\$ 288,600</u>

The changes in Agency Obligations are reflected in the liability section of the Statement of Financial Position and not in the Statement of Activities.

NOTE 14 INVESTMENTS, OTHER

On August 1, 2013, the Foundation originally invested \$40,000 in Gunnison River Partnership, LLC ("GRP"), a Colorado limited liability company formed in April 2012. GRP's business purpose is to make debt and/or equity investments in privately-held enterprises in the greater Gunnison Valley of Colorado. This is reported as "Investment, Other" on the Statement of Financial Position. In 2017, an additional investment in GRP was made, increasing the fair value of the investment to \$91,269.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2018

NOTE 15 DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through the date that the financial statements were available to be issued. Management determined there were no subsequent events requiring disclosure.