

**COMMUNITY FOUNDATION OF THE GUNNISON VALLEY**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2020**

**COMMUNITY FOUNDATION OF THE GUNNISON VALLEY**

**TABLE OF CONTENTS**

**Year Ended December 31, 2020**

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	5
Statement of Functional Expenses .....	6
Notes to the Financial Statements .....	7

## **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, 2020, 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, 2020, 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*

Golden, Colorado

May 26, 2021

## **Financial Statements**

**COMMUNITY FOUNDATION OF THE GUNNISON VALLEY**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 551,665	\$ 141,859	\$ 693,524
Investments	<u>1,178,132</u>	<u>10,310,224</u>	<u>11,488,356</u>
Total Current Assets	<u>1,729,797</u>	<u>10,452,083</u>	<u>12,181,880</u>
<b>FIXED ASSETS</b>			
Furniture and equipment	4,882	-	4,882
Computers and Software	31,269	-	31,269
Less accumulated depreciation	<u>(36,151)</u>	<u>-</u>	<u>(36,151)</u>
Net Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER ASSETS</b>			
Real Estate Held for Sale	-	132,400	132,400
Mortgage Receivable	39,632	-	39,632
Investment, Other	<u>35,756</u>	<u>73,677</u>	<u>109,433</u>
Total Other Assets	<u>75,388</u>	<u>206,077</u>	<u>281,465</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,805,185</u></u>	<u><u>\$ 10,658,160</u></u>	<u><u>\$ 12,463,345</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Agency Obligations	\$ -	\$ 403,621	\$ 403,621
Accounts Payable	<u>22,220</u>	<u>-</u>	<u>22,220</u>
Total Current Liabilities	<u>22,220</u>	<u>403,621</u>	<u>425,841</u>
<b>NET ASSETS</b>			
<b>Without Donor Restrictions</b>			
Board Designated	1,530,088	-	1,530,088
Undesignated	<u>252,877</u>	<u>-</u>	<u>252,877</u>
<b>With Donor Restrictions</b>	<u>-</u>	<u>10,254,539</u>	<u>10,254,539</u>
Total Net Assets	<u>1,782,965</u>	<u>10,254,539</u>	<u>12,037,504</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,805,185</u></u>	<u><u>\$ 10,658,160</u></u>	<u><u>\$ 12,463,345</u></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, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 681,669	\$ 942,019	\$ 1,623,688
Debt Forgiveness - PPP Loan	20,220	-	20,220
Interest & Dividend Income	26,626	163,532	190,158
Realized Gain (Loss)	553	7,187	7,740
Unrealized Gain (Loss)	161,718	1,224,254	1,385,972
Other Income	108,327	-	108,327
Net Assets Released from Restrictions	871,160	(871,160)	-
<b>TOTAL REVENUES</b>	<b>1,870,273</b>	<b>1,465,832</b>	<b>3,336,105</b>
EXPENSES			
Program services expense	1,090,800	-	1,090,800
Supporting services expense			
Management and general	140,966	-	140,966
Fundraising	73,453	-	73,453
Total supporting services expenses	214,419	-	214,419
<b>TOTAL EXPENSES</b>	<b>1,305,219</b>	<b>-</b>	<b>1,305,219</b>
NET INCOME (LOSS) BEFORE TRANSFERS	565,054	1,465,832	2,030,886
Transfers	(31,869)	31,869	-
<b>TOTAL CHANGE IN NET ASSETS</b>	<b>533,185</b>	<b>1,497,701</b>	<b>2,030,886</b>
NET ASSETS, Beginning of the Year	1,249,780	8,756,838	10,006,618
NET ASSETS, End of the Year	\$ 1,782,965	\$ 10,254,539	\$ 12,037,504

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, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Change in net assets	\$ 565,054	\$ 1,465,832	\$ 2,030,886
Adjustment for:			
Realized gain on investments	(553)	(7,187)	(7,740)
Unrealized gain on investments	(161,718)	(1,224,254)	(1,385,972)
Change in Mortgage Receivable	6,052	-	6,052
Change in Agency Obligations	53,386	-	53,386
Change in Accounts Payable	1,054	-	1,054
Net cash provided by operating activities	<u>463,275</u>	<u>234,391</u>	<u>697,666</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Transfers	<u>(31,869)</u>	<u>31,869</u>	<u>-</u>
Net cash flows provided by (used in) financing activities	<u>(31,869)</u>	<u>31,869</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net asset release and reclassifications	871,160	(871,160)	-
Net cash flows provided by (used in) investing activities	<u>(159,128)</u>	<u>(305,807)</u>	<u>(464,935)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	272,278	(39,547)	232,731
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>279,387</u>	<u>181,406</u>	<u>460,793</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u>\$ 551,665</u>	<u>\$ 141,859</u>	<u>\$ 693,524</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, 2020**

	<u>Program services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Grants to organizations	\$ 867,817	\$ -	\$ -	\$ 867,817
Grants to individuals	10,200	-	-	10,200
Executive Director expense	16,122	26,870	10,747	53,739
Salaries	52,927	43,159	34,647	130,733
Other employee benefits	3,137	2,558	2,054	7,749
Payroll taxes	3,421	2,790	2,239	8,450
Fees for service - accounting	-	27,600	-	27,600
Fees for service - investment management	-	698	-	698
Fees for service - grantmaking	18,090	2,010	-	20,100
Advertising and promotion	-	4,976	10,649	15,625
Office expenses	5,070	10,139	5,070	20,279
Information technology	3,579	7,156	3,580	14,315
Occupancy	3,770	7,539	3,770	15,079
Travel	-	18	-	18
Meetings	-	114	-	114
Insurance	697	1,393	697	2,787
Programs for non-profits	2,235	-	-	2,235
Events	-	-	-	-
Education & professional development	3,113	-	-	3,113
CFGV Admin fee	100,622	-	-	100,622
Miscellaneous	-	3,946	-	3,946
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 1,090,800</u>	<u>\$ 140,966</u>	<u>\$ 73,453</u>	<u>\$ 1,305,219</u>
	83.6%	10.8%	5.6%	

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, 2020

### 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 current standards of reporting for Not-for-Profit Entities. 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 a portion of net assets without donor restrictions as board-designated endowments, and other board-designated funds.

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.", as modified by ASU 2016-14. In accordance with this standard, contributions received are recorded as: support without donor restrictions or support with donor restrictions, 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.

#### New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14 Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly. The ASU has been retrospectively applied to all periods presented.

# COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

## Notes to the Financial Statements

December 31, 2020

### 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 “with donor restrictions” and increases that class of net assets. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions 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, 2020, 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, 2020

### 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 net assets with donor restrictions.

#### 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 2020.

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, 2017 through 2019, 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, 2020, the balance of the note receivable was \$39,632. Interest received during 2020 was \$1,932.

# COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

## Notes to the Financial Statements

December 31, 2020

### NOTE 4 FIXED ASSETS

Fixed assets consist of the following at December 31, 2020:

	Balance			Balance
	Jan. 1, 2020	Additions	Deletions	Dec. 31, 2020
Furniture & Equipment	\$ 4,882	\$ -	\$ -	\$ 4,882
Computers & Software	31,269	-	-	31,269
<b>Total Fixed Assets</b>	36,151	-	-	36,151
Less Accumulated Depreciation	(36,151)	-	-	(36,151)
<b>Net Fixed Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the year ended December 31, 2020 was \$0.

### 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, 2020

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, 2020 are as follows:

	Cost	Fair Market Value	Carrying Value
Mutual Funds	\$ 8,441,489	\$ 11,154,505	\$ 11,154,505
Exchange Traded	172,519	163,675	163,675
Government Money Market	N/A	159,591	159,591
Stocks	10,585	10,585	10,585
Total	<u>\$ 8,624,593</u>	<u>\$ 11,488,356</u>	<u>\$ 11,488,356</u>

Interest income on cash and cash equivalents was \$196,915. Investments experienced a realized gain of \$8,016 and an unrealized gain of \$1,435,947 during the year ended December 31, 2020. 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	\$ 1,213,888
Investments - Restricted	<u>10,274,468</u>
Total	<u>\$ 11,488,356</u>

Investments that are considered Level 3 investments as of December 31, 2020 are recorded as Investment, Other. This investment totals \$109,433 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, 2020.

# COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

## Notes to the Financial Statements

December 31, 2020

### NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2020

Crested Butte Arts Fund	\$	76,706
Pamela G. Montgomery Nonprofit Leadership Fund		49,641
Slate River Alternative Education & Arts Endowment		162,176
<b>Donor-Advised Funds</b>		
Acorn 1 Fund		2,657
Anne Lamkin Kinder Fund		143,901
Be Haver Be Light Fund		144,911
Benevolence Alliance of the Gunnison Valley		1,565
Bill & Lenni Burke Family Fund		723,000
Charles & Sharon Daubenberger Fund		45,641
Crested Butte Rotary Foundation		86,162
DeKraai Family Fund II		14,870
Don Haver Fund		9,946
Dunbar Family Fund		24,068
FEIP, LLC Fund		5,012
Fred & Sue Berry Donor Advised Fund		43,266
Fretthold Family Fund		179,888
GG Gives		1,503
Gunnison Rotary Youth Charitable Fund		42,094
Gunnison Valley Education Foundation		13,640
Gunnison Valley Restorative Justice		2,995
Harned Foundation Fund		229
Hans & Lea Helmerich Charitable Fund		30,988
Peterson-Tocke Family Fund		127
Hemminghaus Family Fund		261,107
Joanie & Tom Atkinson Family Fund		25,691
Kathleen Gentry Donor Advised Fund		2,158
MacAllister Family		51,688
MVB Fund		277,236
Nancy Tredway Donor Advised Fund		12,915
Nick and Patricia Williams Fund		630
Paul D. Witt Charitable Fund		39,155
P-Squared		8,490
Resource Engineering Group Fund		157,718
Richard & Noelle Hagan Charitable Fund		39,366
Sandra and Roger Dorf Fund		4,562
Walter Fund		65,990

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2020

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Western + CFGV Disaster Relief Fund	324
William B. Endner Fund	4,172,344
William Dorricot 7th Judicial District Drug Court Fund	4,434
WTR Fund	20,133
Zen for Business	2,236
<b>Fiscal Sponsorship</b>	
Gunnison Valley Skateboard Alliance	4,886
Lights & Sirens	1,527
Memorial Flags	2,329
<b>Scholarships</b>	
Crested Butte Rotary Scholarship Fund	32,197
Dan Tredway Excellence in Teaching	69,625
Defensive Driving	387
Der Forst Scholarship Fund	9,559
Elena Pedersen Scholarship Fund	36,574
GHS Teacher of Tomorrow Scholarship Fund	1,213
Gunnison Kiwanis Club Scholarship	39,341
Gunnison Memorial Scholarship Fund	106,111
Maxwell MacAllister Scholarship Fund	4,806
One Goal, One Passion	1,131
<b>Designated</b>	
4-H Forever	259,323
Choice Pass Community Support	6,966
Early Childhood Literacy Fund	15,908
Forever Fund	2,102,834
Gunnison Arts Center Endowment	290,477
Gunnison County Shady Island River Park Project	430
Gunnison High School Fund	3,100
Kids Kount Endowment	176,169
Matthew Van Eaton Memorial Fund	23,480
Nadine Henry 4-H Forever Fund	100,357
Patti Bouchard Bippus Education Fund	5,883
Post Rural Philanthropy Days Education Fund	8,763
Total Net Assets With Donor Restrictions	<u>\$ 10,254,539</u>

# COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

## Notes to the Financial Statements

December 31, 2020

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

Slate River Alternative Education & Arts Endowment	\$	5,838
<b>Donor-Advised Funds</b>		
Anne Lamkin Kinder Fund		11,286
Bill & Lenni Burke Family Fund		258,562
CBMR Community Fund		370
Comiskey Fund		13
Crested Butte Rotary Foundation		5,724
DeKraai Family Fund II		40,168
Don Haver Fund		5,197
Dunbar Family Fund		3,784
Fred & Sue Berry Donor Advised Fund		9,691
Fretthold Family Fund		20,080
Gunnison Valley Education Foundation		11,954
Peterson-Tocke Family Fund		527
Hemminghaus Family Fund		19,313
James E. Bertelsmeyer Endowment Fund		232
Joanie & Tom Atkinson Family Fund		4,810
Kathleen Gentry Donor Advised Fund		780
MacAllister Family		30,591
MVB Fund		38,030
Nick and Patricia Williams Fund		3,028
Paul D. Witt Charitable Fund		6,347
P-Squared		1,350
Resource Engineering Group Fund		1,736
Richard & Noelle Hagan Charitable Fund		7,870
Sandra and Roger Dorf Fund		12,614
Tom and Stephanie Seymour Family Fund		67,832
William B. Endner Fund		95,095
Zen for Business		3,028
<b>Fiscal Sponsorship</b>		
Crested Butte State of Mind		81,975
Memorial Flags		441
Ranchers & Sportsmen Together for the Hungry		4,341

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2020

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

**Purpose Restriction Accomplished (Continued)**

**Scholarships**

Dan Tredway Excellence in Teaching	2,415
Defensive Driving	288
Gunnison Kiwanis Club Scholarship	3,579
Gunnison Memorial Scholarship Fund	6,548
Maxwell MacAllister Scholarship Fund	5,334

**Designated**

4-H Forever	8,159
Early Childhood Literacy Fund	7,110
Forever Fund	61,929
Gunnison Arts Center Endowment	8,231
Kids Kount Endowment	6,533
Marie Hausler Memorial	306
Matthew Van Eaton Memorial Fund	778
Patti Bouchard Bippus Education Fund	247
Post Rural Philanthropy Days Education Fund	1,410

Net Assets Released from Restrictions	<u>\$ 871,160</u>
---------------------------------------	-------------------

NOTE 8 UNINSURED CASH

At December 31, 2020, funds totaling \$661,819 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, 2020, 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 was renewable on an annual basis, but will not be renewed after December 31, 2020. The Foundation paid Montgomery Associates, Inc. \$53,739 during the year ended December 31, 2020.

# COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

## Notes to the Financial Statements

December 31, 2020

### **NOTE 10 COMPLIANCE WITH NATIONAL STANDARDS**

The Foundation was confirmed in compliance with the National Standards for U.S. Community Foundations on August 19, 2020. Compliance comes following a rigorous examination of the policies and procedures of the Foundation by the Council on Foundations located in Washington D.C.

### **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 net assets with donor restrictions, the original value of gifts made to the permanent fund. Restricted amounts are held until those amounts 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, 2020

### NOTE 12 ENDOWMENT FUNDS (Continued)

Changes in endowment net assets for the year ended December 31, 2020 were:

	Board <u>Designated</u>	Donor <u>Designated</u>	<u>Total</u>
Endowment net assets,			
Beginning of year	\$ 971,008	\$ 6,375,428	\$ 7,346,436
Investment income	19,908	129,174	149,082
Net appreciation (realized & unrealized gain/loss)	158,172	953,134	1,111,306
Contributions	67,000	665,821	732,821
Appropriation of assets for expenditures	<u>(16,515)</u>	<u>(206,526)</u>	<u>(223,041)</u>
End of year	<u>\$1,199,573</u>	<u>\$ 7,917,031</u>	<u>\$ 9,116,604</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, 2020.

### **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.

# COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

## Notes to the Financial Statements

December 31, 2020

### NOTE 12 ENDOWMENT FUNDS (CONTINUED)

#### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

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 FUNDS

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, 2020, the Agency Obligations were as follows:

Agency contributions	\$	6,935
Interest & dividends		6,757
Realized gain (loss)		276
Unrealized gain (loss)		49,975
Administrative fees		(1,675)
Grants		<u>(8,882)</u>
Net change		53,386
Beginning Agency Obligations		<u>350,235</u>
Ending Agency Obligations	\$	<u>403,621</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 and 2019, additional GRP shares were donated to the Foundation, increasing the fair value of the investment to \$109,433.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2020

**NOTE 15 LIQUIDITY AND AVAILABILITY**

The following represents the Foundation's financial assets at December 31, 2020:

	<u>December 31, 2020</u>
<b>Financial assets at year-end:</b>	
Cash and cash equivalents	\$ 693,524
Accounts Receivable	39,632
Investments	<u>11,597,789</u>
<b>Total financial assets at year-end:</b>	<u>12,330,945</u>
<b>Less amounts unavailable:</b>	
Cash designated by Board	1,530,088
Cash with Donors Restrictions	141,859
Investments with Donor Restrictions	<u>10,310,224</u>
<b>Total amounts unavailable:</b>	<u>11,982,171</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 348,774</u>

The Foundation's goal is generally to maintain financial assets to meet 180 days of operating expenses.

**NOTE 16 BUSINESS CONDITIONS**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. SJBAAA is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on SJBAAA's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on SJBAAA's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact SJBAAA's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**COMMUNITY FOUNDATION OF THE GUNNISON VALLEY**

**Notes to the Financial Statements**

**December 31, 2020**

**NOTE 17 PAYCHECK PROTECTION PROGRAM LOANS**

On May 21, 2020, the Foundation received loan proceeds in the amount of \$20,220 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period. The Foundation used PPP loan proceeds for purposes consistent with the PPP, and applied for forgiveness within 10 months of the end of the covered period.

On April 15, 2020, the Foundation recorded a note payable, to be eliminated upon forgiveness when legally released from the loan obligation. On November 16, 2020, the Small Business Administration forgave the loan, and the Foundation recorded PPP loan forgiveness revenue effective November 16, 2020.

**NOTE 18 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.