

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

FINANCIAL STATEMENTS

Year Ended December 31, 2021

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of The Community Foundation of the Gunnison Valley

Opinion

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, 2021, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Community Foundation of the Gunnison Valley and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Foundation of the Gunnison Valley's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Foundation of the Gunnison Valley's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Foundation of the Gunnison Valley's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Hamblin and Associates, LLC

Golden, Colorado
April 25, 2022

Financial Statements

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

STATEMENT OF FINANCIAL POSITION

December 31, 2021

ASSETS	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 821,914	\$ 189,787	\$ 1,011,701
Investments	1,230,230	12,300,224	13,530,454
Total Current Assets	<u>2,052,144</u>	<u>12,490,011</u>	<u>14,542,155</u>
FIXED ASSETS			
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>
OTHER ASSETS			
Real Estate Held for Sale	-	132,400	132,400
Mortgage Receivable	-	33,302	33,302
Investment, Other	<u>36,204</u>	<u>74,577</u>	<u>110,781</u>
Total Other Assets	<u>36,204</u>	<u>240,279</u>	<u>276,483</u>
TOTAL ASSETS	<u><u>\$ 2,088,348</u></u>	<u><u>\$ 12,730,290</u></u>	<u><u>\$ 14,818,638</u></u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Agency Obligations	\$ -	\$ 716,338	\$ 716,338
Accounts Payable	<u>23,900</u>	<u>-</u>	<u>23,900</u>
Total Current Liabilities	<u>23,900</u>	<u>716,338</u>	<u>740,238</u>
NET ASSETS			
Without Donor Restrictions			
Board Designated	1,434,619	-	1,434,619
Undesignated	<u>629,829</u>	<u>-</u>	<u>629,829</u>
With Donor Restrictions	<u>-</u>	<u>12,013,952</u>	<u>12,013,952</u>
Total Net Assets	<u>2,064,448</u>	<u>12,013,952</u>	<u>14,078,400</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,088,348</u></u>	<u><u>\$ 12,730,290</u></u>	<u><u>\$ 14,818,638</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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 135,275	\$ 2,054,721	\$ 2,189,996
Interest & Dividend Income	23,226	171,937	195,163
Realized Gain (Loss)	16,528	243,085	259,613
Unrealized Gain (Loss)	150,480	1,001,497	1,151,977
Other Income	168,487	-	168,487
Net Assets Released from Restrictions	1,421,389	(1,421,389)	-
TOTAL REVENUES	<u>1,915,385</u>	<u>2,049,851</u>	<u>3,965,236</u>
EXPENSES			
Program services expense	<u>1,387,182</u>	<u>-</u>	<u>1,387,182</u>
Supporting services expense			
Management and general	185,316	-	185,316
Fundraising	61,404	-	61,404
Total supporting services expenses	<u>246,720</u>	<u>-</u>	<u>246,720</u>
TOTAL EXPENSES	<u>1,633,902</u>	<u>-</u>	<u>1,633,902</u>
NET INCOME (LOSS) BEFORE TRANSFERS AND RECLASSIFICATIONS	281,483	2,049,851	2,331,334
Transfers	-	-	-
Reclassification of Agency Fund Amounts	<u>-</u>	<u>(290,438)</u>	<u>(290,438)</u>
TOTAL CHANGE IN NET ASSETS	281,483	1,759,413	2,040,896
NET ASSETS, Beginning of the Year	<u>1,782,965</u>	<u>10,254,539</u>	<u>12,037,504</u>
NET ASSETS, End of the Year	<u>\$ 2,064,448</u>	<u>\$ 12,013,952</u>	<u>\$ 14,078,400</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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Change in net assets	\$ 281,483	\$ 2,049,851	\$ 2,331,334
Adjustment for:			
Realized gain on investments	(16,528)	(243,085)	(259,613)
Unrealized gain on investments	(187,647)	(1,001,497)	(1,189,144)
Change in Mortgage Receivable	6,330	-	6,330
Change in Agency Obligations	22,278	-	22,278
Change in Accounts Payable	<u>(369)</u>	<u>-</u>	<u>(369)</u>
Net cash provided by operating activities	<u>105,547</u>	<u>805,269</u>	<u>910,816</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net cash flows provided by (used in) financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net asset release and reclassifications	<u>1,710,611</u>	<u>(1,710,611)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	270,249	47,928	318,177
CASH AND CASH EQUIVALENTS, Beginning	<u>551,665</u>	<u>141,859</u>	<u>693,524</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 821,914</u>	<u>\$ 189,787</u>	<u>\$ 1,011,701</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, 2021

	<u>Program services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Grants to organizations	\$ 1,154,605	\$ -	\$ -	\$ 1,154,605
Grants to individuals	16,295	-	-	16,295
Compensation of officers	4,608	52,664	8,558	65,830
Salaries	10,385	50,238	23,331	83,954
Other employee benefits	735	5,043	1,563	7,341
Payroll taxes	1,034	7,099	2,200	10,333
Fees for service - accounting	-	22,900	-	22,900
Fees for service - grantmaking	35,584	3,954	-	39,538
Advertising and promotion	-	9,876	6,703	16,579
Office expenses	5,087	10,174	5,087	20,348
Information technology	4,471	8,940	4,471	17,882
Occupancy	4,859	9,718	4,859	19,436
Travel	-	1,597	-	1,597
Meetings	-	1,105	-	1,105
Insurance	972	1,945	972	3,889
Programs for non-profits	3,249	-	-	3,249
Events	-	-	3,660	3,660
Education & professional development	1,082	-	-	1,082
CFGV Admin fee	144,216	-	-	144,216
Miscellaneous	-	63	-	63
	<u>\$ 1,387,182</u>	<u>\$ 185,316</u>	<u>\$ 61,404</u>	<u>\$ 1,633,902</u>
	84.9%	11.3%	3.8%	

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, 2021

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.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

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, 2021, 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, 2021

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 2021.

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, 2021, the balance of the note receivable was \$33,302. Interest received during 2021 was \$1,654.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

NOTE 4 FIXED ASSETS

Fixed assets consist of the following at December 31, 2021:

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

Depreciation expense for the year ended December 31, 2021 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, 2021

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, 2021 are as follows:

	Cost	Fair Market Value	Carrying Value
Mutual Funds	\$ 9,096,353	\$ 13,006,386	\$ 13,006,386
Exchange Traded	308,605	298,391	298,391
Government Money Market	N/A	225,677	225,677
Total	<u>\$ 9,404,958</u>	<u>\$ 13,530,454</u>	<u>\$ 13,530,454</u>

Interest income on cash and cash equivalents was \$205,918. Investments experienced a realized gain of \$274,206 and an unrealized gain of \$1,217,132 during the year ended December 31, 2021. 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	\$ 1,230,230
Investments - Restricted	12,300,224
Total	<u>\$ 13,530,454</u>

Investments that are considered Level 3 investments as of December 31, 2021 are recorded as Investment, Other. This investment totals \$110,781 and is reported at approximately fair value. (See Note 13)

NOTE 6 PROMISES TO GIVE

The Foundation did not have any unconditional promises to give at December 31, 2021.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Field of Interest Funds

Crested Butte Arts Fund	\$ 84,929
Gunnison Valley Education Foundation	14,070
Pamela G. Montgomery Nonprofit Leadership Fund	58,952
Slate River Alternative Education & Arts Endowment	179,110

Donor-Advised Funds

Acorn 1 Fund	3,051
Anne Lamkin Kinder Fund	157,900
Be Haver Be Light Fund	164,749
Benevolence Alliance of the Gunnison Valley	1,551
Bill & Leni Burke Family Fund	713,672
Charles & Sharon Daubengerger Fund	51,826
Crested Butte Rotary Foundation	96,187
DeKraai Family Fund II	16,864
Don Haver Fund	7,985
Dunbar Family Fund	28,310
FEIP, LLC Fund	1,142
Fred & Sue Berry Donor Advised Fund	42,263
Fretthold Family Fund	204,514
GG Gives	1,705
Gunnison Rotary Youth Charitable Fund	48,301
Gunnison Valley Restorative Justice	2,968
Hans & Lea Helmerich Charitable Fund	35,143
Harned Foundation Fund	227
Harper-Zealand Family Fund	851
Hemminghaus Family Fund	277,028
Joanie & Tom Atkinson Family Fund	23,037
Kathleen Gentry Donor Advised Fund	510,765
Keep Pedaling Fund	10,406
MacAllister Family Fund	50,674
MVB Fund	292,699
Nancy Tredway Donor Advised Fund	4,096
Nick and Patricia Williams Fund	11,703
Paul D. Witt Charitable Fund	44,405
P-Squared	7,927
Resource Engineering Group Fund	199,278
Richard & Noelle Hagan Charitable Fund	37,825
Sandra and Roger Dorf Fund	43,272
Stash Cash Fund	2,143

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Walter Fund	65,568
Western + CFGV Disaster Relief Fund	368
William B. Endner Fund	4,634,508
Fiscal Sponsorship	
Gunnison Valley Skateboard Alliance	5,645
Lights & Sirens	1,532
Memorial Flags	2,995
Southside Skate Park Fund	15,542
Scholarships	
Crested Butte Rotary Scholarship Fund	36,561
Dan Tredway Excellence in Teaching	77,163
Defensive Driving	903
Der Forst Scholarship Fund	10,975
Elena Pedersen Scholarship Fund	55,387
GHS Teacher of Tomorrow Scholarship Fund	346
Gunnison Kiwanis Club Scholarship	41,327
Gunnison Memorial Scholarship Fund	114,771
Maxwell MacAllister Scholarship Fund	2,426
One Goal, One Passion	1,336
Designated	
Choice Pass Community Support	21,325
Early Childhood Literacy Fund	18,850
Emily Gaynor Rothman Fund for Dance	63,689
Forever Fund	2,474,926
Gunnison High School Fund	3,559
John and Sandra Cosentino Rotary Scholarship Fund	20,258
Kids Kount Endowment	201,274
Matthew Van Eaton Memorial Fund	25,984
Nadine Henry 4-H Forever Fund	482,609
Patti Bouchard Bippus Education Fund	6,923
Post Rural Philanthropy Days Education Fund	6,985
Rosalind Cook Artistic Encouragement Award Fund	58,619
The Walnut Fund	100,082
Town of Mt. Crested Butte Community Housing Fund	6,433
Vosburg Family Fund	25,194
Total Net Assets With Donor Restrictions	<u>\$ 12,013,952</u>

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

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:

Purpose Restriction Accomplished

Field of Interest Funds

Crested Butte Arts Fund	\$ 1,740
Gunnison Valley Education Foundation	14,737
Pamela G. Montgomery Nonprofit Leadership Fund	200
Slate River Alternative Education & Arts Endowment	5,386

Donor-Advised Funds

Anne Lamkin Kinder Fund	5,000
Bill & Lenni Burke Family Fund	100,000
Crested Butte Rotary Foundation	8,118
Don Haver Fund	3,100
FEIP, LLC Fund	4,000
Fred & Sue Berry Donor Advised Fund	6,450
Harper-Zealand Family Fund	500
Hemminghaus Family Fund	193,000
Joanie & Tom Atkinson Family Fund	6,000
MacAllister Family	17,500
MVB Fund	21,850
Nancy Tredway Donor Advised Fund	10,000
Nick and Patricia Williams Fund	30,000
P-Squared	1,600
Resource Engineering Group Fund	17,250
Richard & Noelle Hagan Charitable Fund	6,400
Sandra and Roger Dorf Fund	15,000
Stash Cash Fund	3,750
William B. Endner Fund	99,297
William Dorricot 7th Judicial District Drug Court Fund	4,434
WTR Fund	20,133
Zen for Business	3,298

Fiscal Sponsorship

Memorial Flags	361
Taylor Canyon Fire Station Fund	544,425

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Purpose Restriction Accomplished (Continued)

Scholarships

Dan Tredway Excellence in Teaching	2,243
Defensive Driving	713
Elena Pedersen Scholarship Fund	5,000
GHS Teacher of Tomorrow Scholarship Fund	1,000
Gunnison Kiwanis Club Scholarship	2,500
Gunnison Memorial Scholarship Fund	3,795
Maxwell MacAllister Scholarship Fund	4,000

Designated

4-H Forever	324,173
Choice Pass Community Support	1,155
Early Childhood Literacy Fund	6,698
Forever Fund	52,476
Gunnison County Shady Island River Park Project	431
Matthew Van Eaton Memorial Fund	735
Post Rural Philanthropy Days Education Fund	2,000

Net Assets Released from Restrictions \$ 1,421,389

NOTE 8 UNINSURED CASH

At December 31, 2021, funds totaling \$730,350 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, 2021, the board determined it was not necessary to transfer any funds.

NOTE 9 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 10 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.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

NOTE 11 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.

Changes in endowment net assets for the year ended December 31, 2021 were:

	Board Designated	Donor Designated	Total
Endowment net assets,			
Beginning of year	\$ 1,199,573	\$ 7,917,031	\$ 9,116,604
Investment income	19,564	134,560	154,124
Net appreciation (realized & unrealized gain/loss)	150,227	994,531	1,144,758
Contributions	-	499,040	499,040
Appropriation of assets for expenditures	<u>(60,010)</u>	<u>(579,072)</u>	<u>(639,082)</u>
End of year	<u>\$ 1,309,354</u>	<u>\$ 8,966,090</u>	<u>\$ 10,275,444</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, 2021.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

NOTE 11 ENDOWMENT FUNDS (Continued)

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

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.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

NOTE 12 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, 2021, the Agency Obligations were as follows:

Agency contributions	\$ 13,875
Interest & dividends	10,755
Realized gain (loss)	14,593
Unrealized gain (loss)	65,155
Reclassification	290,438
Administrative fees	(3,289)
Grants	<u>(78,811)</u>
Net change	312,716
Beginning Agency Obligations	<u>403,622</u>
Ending Agency Obligations	<u>\$ 716,338</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 13 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. With other changes in the investment, the fair value of the investment is now \$110,781.

COMMUNITY FOUNDATION OF THE GUNNISON VALLEY

Notes to the Financial Statements

December 31, 2021

NOTE 14 LIQUIDITY AND AVAILABILITY

The following represents the Foundation's financial assets at December 31, 2021:

	<u>December 31, 2021</u>
Financial assets at year-end:	
Cash and cash equivalents	\$ 1,011,701
Receivables	33,302
Investments	<u>13,641,235</u>
Total financial assets at year-end:	<u>14,686,238</u>
Less amounts unavailable:	
Cash and investments designated by Board	1,434,619
Cash with Donor Restrictions	189,787
Investments with Donor Restrictions	<u>12,300,224</u>
Total amounts unavailable:	<u>13,924,630</u>
Financial assets available to meet general expenditures over the next 12 months	<u><u>\$ 761,608</u></u>

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

NOTE 15 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. The Foundation 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 the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on Foundation's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact Foundation'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.

NOTE 16 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.