# Community Foundation of the Gunnison Valley

**Financial Statements and Single Audit Reports**

**December 31, 2024 and 2023**

**(With Independent Auditor's Report Thereon)**

Kundinger, Corder & Montoya, P.C.

Certified Public Accountants

# Community Foundation of the Gunnison Valley
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Kundinger, Corder & Montoya, P.C.
Certified Public Accountants

## Independent Auditor's Report

**Board of Directors**
**Community Foundation of the Gunnison Valley**

### Report on the Audit of the Financial Statements

**Opinion**
We have audited the accompanying financial statements of Community Foundation of the Gunnison Valley (the Foundation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, 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 (GAAP).

**Basis for Opinion**
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 GAAP, 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, which raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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**Auditor's Responsibilities for the Audits 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 GAAS and Government 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 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 GAAS and Government 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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, which raise substantial doubt about the Foundation'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.

**Supplementary Information**
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Board of Directors**
**Community Foundation of the Gunnison Valley**

**Other Reporting Required by *Government Auditing Standards***
In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Kundinger, Corder & Montoya, P.C.

June 26, 2025

# Community Foundation of the Gunnison Valley

## Statements of Financial Position

## December 31, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 833,328 | 383,245 |
| Investments (note 3) | 17,012,274 | 14,366,401 |
| Restricted cash | 56,100 | 28,091 |
| Prepaid expenses | 1,000 | 1,000 |
| Mortgage receivable (note 5) | – | 19,757 |
| Real estate held for sale (note 4) | 132,400 | 132,400 |
| Operating lease right of use asset (note 6) | 50,059 | 73,401 |
| Total assets | $ 18,085,161 | 15,004,295 |
| **Liabilities and Net Assets** | | |
| Liabilities | | |
| Accounts payable and accrued liabilities | $ 35,812 | 55,967 |
| Refundable advance | 73,697 | – |
| Agency obligations | 1,277,972 | 1,136,078 |
| Operating lease liability (note 6) | 57,559 | 84,651 |
| Total liabilities | 1,445,040 | 1,276,696 |
| Net assets (notes 7 and 8) | | |
| Without donor restrictions | | |
| Undesignated | 1,001,576 | 878,710 |
| Board designated | 1,483,654 | 1,368,451 |
| Total without donor restrictions | 2,485,230 | 2,247,161 |
| With donor restrictions | 14,154,891 | 11,480,438 |
| Total net assets | 16,640,121 | 13,727,599 |
| Commitment (note 9) | | |
| Total liabilities and net assets | $ 18,085,161 | 15,004,295 |

# Community Foundation of the Gunnison Valley
## Statement of Activities
## Year Ended December 31, 2024

| | | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|---|
| **Revenue and Support** | | | | |
| Contributions and grants | | | | |
| Foundations, corporations, and individuals | $ | 152,850 | 2,274,009 | 2,426,859 |
| Government grants | | 14,850 | 2,143,879 | 2,158,729 |
| In-kind contributions | | 8,584 | 204 | 8,788 |
| Investment return | | 211,824 | 1,533,361 | 1,745,185 |
| Other income | | 7,709 | – | 7,709 |
| Net assets released from restrictions (note 7) | | 3,277,000 | (3,277,000) | – |
| Total revenue and support | | 3,672,817 | 2,674,453 | 6,347,270 |
| **Expenses** | | | | |
| Program services | | 3,039,957 | – | 3,039,957 |
| Supporting services | | | | |
| Management and general | | 336,951 | – | 336,951 |
| Fundraising | | 57,840 | – | 57,840 |
| Total supporting services | | 394,791 | – | 394,791 |
| Total expenses | | 3,434,748 | – | 3,434,748 |
| **Change in net assets** | | 238,069 | 2,674,453 | 2,912,522 |
| **Net assets at beginning of year** | | 2,247,161 | 11,480,438 | 13,727,599 |
| **Net assets at end of year** | $ | 2,485,230 | 14,154,891 | 16,640,121 |

See the accompanying notes to the financial statements.

# Community Foundation of the Gunnison Valley
## Statement of Activities
## Year Ended December 31, 2023

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| **Revenue** | | | |
| Contributions and grants | $ 366,998 | 365,465 | 732,463 |
| In-kind contributions | 692 | 1,151 | 1,843 |
| Special events, net of | | | – |
| direct expenses of $11,678 | 20,119 | 4,043 | 24,162 |
| Investment return | 788,211 | 1,234,047 | 2,022,258 |
| Other income | 22,970 | – | 22,970 |
| Net assets released from restrictions (note 7) | 76,806 | (76,806) | – |
| Total revenue and support | 1,275,796 | 1,527,900 | 2,803,696 |
| **Expenses** | | | |
| Program services | 774,477 | – | 774,477 |
| Supporting services | | | |
| Management and general | 268,098 | – | 268,098 |
| Fundraising | 60,214 | – | 60,214 |
| Total supporting services | 328,312 | – | 328,312 |
| Total expenses | 1,102,789 | – | 1,102,789 |
| **Change in net assets** | 173,007 | 1,527,900 | 1,700,907 |
| **Net assets at beginning of year** | 2,074,154 | 9,952,538 | 12,026,692 |
| **Net assets at end of year** | $ 2,247,161 | 11,480,438 | 13,727,599 |

See the accompanying notes to the financial statements.

**Community Foundation of the Gunnison Valley**
**Statement of Functional Expenses**
**Year Ended December 31, 2024**

| | Program services | Supporting services: Management and general | Fund-raising | Total supporting services | Total |
|---|---|---|---|---|---|
| Support to beneficiaries | $ 2,062,818 | – | – | – | 2,062,818 |
| Grants to organizations | 726,920 | – | – | – | 726,920 |
| Scholarships | 15,000 | – | – | – | 15,000 |
| Salaries, payroll taxes, and benefits | 86,151 | 189,001 | 29,610 | 218,611 | 304,762 |
| Office expenses | 23,082 | 30,367 | 4,882 | 35,249 | 58,331 |
| Contract labor | 38,182 | 50,234 | 8,076 | 58,310 | 96,492 |
| Professional fees | 15,875 | 20,886 | 3,358 | 24,244 | 40,119 |
| Program expense | 36,614 | – | – | – | 36,614 |
| Information technology | 13,671 | 17,986 | 2,892 | 20,878 | 34,549 |
| Insurance | 2,986 | 3,928 | 632 | 4,560 | 7,546 |
| Occupancy | 14,022 | 18,449 | 2,966 | 21,415 | 35,437 |
| Other | 4,636 | 6,100 | 5,424 | 11,524 | 16,160 |
| Total expenses | $ 3,039,957 | 336,951 | 57,840 | 394,791 | 3,434,748 |

See the accompanying notes to the financial statements.

## Community Foundation of the Gunnison Valley
### Statement of Functional Expenses
### Year Ended December 31, 2023

| | Program services | Supporting services: Management and general | Supporting services: Fund-raising | Supporting services: Total supporting services | Total |
|---|---|---|---|---|---|
| Grants to organizations | $ 570,267 | – | – | – | 570,267 |
| Scholarships | 19,500 | – | – | – | 19,500 |
| Salaries, payroll taxes, and benefits | 89,453 | 168,624 | 30,559 | 199,183 | 288,636 |
| Office expenses | 28,480 | 24,663 | 6,619 | 31,282 | 59,762 |
| Contract labor | 50,698 | 6,266 | – | 6,266 | 56,964 |
| Professional fees | – | 32,049 | – | 32,049 | 32,049 |
| Information technology | 5,581 | 11,161 | 5,581 | 16,742 | 22,323 |
| Insurance | 1,844 | 3,688 | 1,844 | 5,532 | 7,376 |
| Occupancy | 8,654 | 17,307 | 8,654 | 25,961 | 34,615 |
| Other | – | 4,340 | 18,635 | 22,975 | 22,975 |
| Total functional expenses | $ 774,477 | 268,098 | 71,892 | 339,990 | 1,114,467 |
| Less expenses included with revenue in the statement of activities | – | – | (11,678) | (11,678) | (11,678) |
| Total expenses | $ 774,477 | 268,098 | 60,214 | 328,312 | 1,102,789 |

See the accompanying notes to the financial statements.

# Community Foundation of the Gunnison Valley
## Statements of Cash Flows
## December 31, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Change in net assets | $ 2,912,522 | 1,700,907 |
| Adjustments to reconcile change in net assets | | |
| to net cash provided by operating activities | | |
| Contributions restricted for endowment | (529,297) | (116,881) |
| Net realized and unrealized gain on investments | (1,491,524) | (1,823,734) |
| Investment return on endowment assets | (140,459) | (181,239) |
| Operating lease asset and liability noncash expense | (3,750) | 11,250 |
| Changes in operating assets and liabilities | | |
| Prepaid expenses | – | (600) |
| Accounts payable and accrued liabilities | (20,155) | (13,203) |
| Refundable advance | 73,697 | – |
| Agency obligations | 141,894 | 526,351 |
| Net cash provided by operating activities | 942,928 | 102,851 |
| **Cash flows from investing activities** | | |
| Net purchases of investments | (1,154,349) | (730,933) |
| Mortgage loan principal repayments | 19,757 | 6,925 |
| Net cash used in investing activities | (1,134,592) | (724,008) |
| **Cash flows from financing activities** | | |
| Contributions restricted for endowment | 529,297 | 116,881 |
| Investment return on endowment assets | 140,459 | 181,239 |
| Net cash provided by financing activities | 669,756 | 298,120 |
| **Net increase (decrease) in cash, cash equivalents, and restricted cash** | 478,092 | (323,037) |
| **Cash, cash equivalents, and restricted cash at beginning of year** | 411,336 | 734,373 |
| **Cash, cash equivalents, and restricted cash at end of year** | $ 889,428 | 411,336 |
| **Supplemental disclosure of noncash investing and financing activity** | | |
| Operating lease asset and liability noncash expense | $ (3,750) | 11,250 |
| **Reconciliation of cash, cash equivalents, and restricted cash at end of year** | | |
| Cash and cash equivalents | $ 833,328 | 383,245 |
| Restricted cash | 56,100 | 28,091 |
| | $ 889,428 | 411,336 |

See the accompanying notes to the financial statements.

## (1) Summary of Significant Accounting Policies

### (a) Organization

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 united effort of many community members. The Foundation's support comes from business and individual donor contributions and investment return.

### (b) Basis of Accounting

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

### (c) Financial Statement Presentation

The Foundation is required to present information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

### (d) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid instruments with original maturities of three months or less and which are not held as part of the investment portfolio to be cash equivalents.

### (e) Concentrations

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, investments, and restricted cash. The Foundation places its cash and cash equivalents and restricted cash with creditworthy, high-quality financial institutions. The funds in these bank accounts may, at times, exceed the amounts insured by the Federal Deposit Insurance Corporation (FDIC). Management does not believe that the Foundation is exposed to any significant credit risk with respect to cash. Investments are under the guidance of the Foundation's investment committee and independent advisors. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Foundation believes that the investment policy is prudent for the long-term welfare of the Foundation.

## (1) Summary of Significant Accounting Policies, Continued

### (f) Investments

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position. Fair value is more fully described in note 1(g).

Investments in marketable equity and fixed income securities with readily determinable market values are reported at fair value based on quoted prices in active markets. The value of bond investments and other fixed income securities fluctuate in response to changing interest rates, credit worthiness of issuers and overall economic policies that impact market conditions. Alternative investments are not publicly traded on national security market exchanges, are generally illiquid, and may be valued differently should readily available markets exist for such investments. The market values for alternative investments represents the pro-rata interest in the net assets of the investment and is based on financial information determined and reported by the investment manager. Management is responsible for the fair value measurement of investments reported in the financial statements and believes that the reported values are reasonable.

It is the Foundation’s policy to sell contributed publicly traded securities upon receipt. In cases where the security contains restrictions, the security is liquidated as soon as possible. Occasionally, the Foundation receives noncash donations, such as real estate, which do not have readily determinable market values. Donations of such investments are reported at fair value, estimated based upon evaluation of individual assets and sales of comparable assets.

Investment return consists of the Foundation’s distributive share of interest, dividends, and capital gains and losses generated from investments. Realized gains and losses attributable to the Foundation’s investments are reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the statements of activities.

### (g) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles (GAAP) establishes a fair value hierarchy that prioritizes investments based on the assumptions market participants would use when pricing an asset. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity’s assumptions (unobservable inputs). In addition, certain investments are reported using the "practical expedient" method. The practical expedient method allows net asset value per share or its equivalent to represent fair value for reporting purposes when the criteria for using this method are met. Investments valued using net asset value per share or its equivalent are not categorized within the hierarchy.

## (1) Summary of Significant Accounting Policies, Continued

### (g) Fair Value Measurements, Continued

The Foundation groups assets at fair value in three levels based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability, and;
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

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

### (h) Revenue Recognition

<u>Contributions and Grants</u>
Contributions are recognized when cash, securities, and unconditional promises to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Payments received in advance of the conditions being met are recorded as refundable advances in the statements of financial position.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions and grants receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. The Foundation uses the allowance method to determine uncollectible contributions and grants receivable. The allowance is based on past collection experience and management's analysis of specific promises made. Contributions and grants receivable are charged to the allowance in the year they are deemed uncollectible.

## (1) Summary of Significant Accounting Policies, Continued

### (h) Revenue Recognition, Continued

In-Kind Contributions
In-kind contributions are recorded as contributions and corresponding expenses at their estimated values on the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Many individuals volunteer their time and perform a variety of tasks that assist the Foundation in its programs and general operations; however, the value of this contributed time is not reflected in the accompanying financial statements as it does not meet the criteria for recognition.

Special Event Revenue
Revenue from fundraising events is recognized during the period in which the special event is held. Cash received but not yet earned is reported as a refundable advance in the statements of financial position.

### (i) Agency Endowments and Other Funds Held on Behalf of Others

Agency endowments and other funds held on behalf of others represent assets held by 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 statements of financial position as “Agency Obligations”. 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 Organization or Charitable Trust That Raises or Holds Contributions for Others* accounting standard.

### (j) Grants

Program grants are recorded as an expense and liability when approved by the Board of Directors and/or grant committees in accordance with the Foundation’s approval process.

### (k) Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. The Foundation incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Foundation also conducts a number of activities that benefit both its program objectives as well as supporting services (i.e., fundraising and management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as program or functions total salary cost percentage or estimates of time and effort incurred by personnel.

### (l) Estimates

The preparation of financial statements in conformity GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## (1) Summary of Significant Accounting Policies, Continued

### (m) Income Taxes

The Foundation is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable deduction. However, income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business taxable income. There was no unrelated business taxable income during the years ended December 31, 2024 and 2023, respectively.

The Foundation follows *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 it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are significant to the financial statements. The Foundation’s tax returns for the previous three years are subject to examination by the IRS.

### (n) Stewardship Agreements

The Foundation has entered into stewardship agreements for which the Foundation charges a fee ranging from 0.5% to 3.0% to collect and disburse money in relation to these agreements. The Foundation carries amounts not spent at year-end as net assets with donor restrictions.

### (o) Subsequent Events

The Foundation has evaluated subsequent events through June 26, 2025, the date the financial statements were available to be issued.

### (p) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net assets or the change in net assets.

## (2) Availability and Liquidity of Financial Assets

The following represent the Foundation's financial assets as of December 31:

| | 2024 | 2023 |
|---|---|---|
| Financial assets at year-end | | |
| Cash and cash equivalents | $ 833,328 | 383,245 |
| Investments | 17,012,274 | 14,366,401 |
| Restricted cash | 56,100 | 28,091 |
| Total financial assets | 17,901,702 | 14,777,737 |
| Less amounts unavailable for general expenditures within one year due to contractual restrictions | | |
| Agency obligations | 1,277,972 | 1,136,078 |
| Board designated net assets | 1,483,654 | 1,368,451 |
| Donor restricted endowments | 8,956,166 | 7,802,954 |
| | 11,717,792 | 10,307,483 |
| Financial assets available for general expenditures within one year | $ 6,183,910 | 4,470,254 |

The Foundation considers net assets with donor restrictions that will be met within one year to be available for general expenditure; therefore, only the donor-restricted investments held in perpetuity are excluded from amounts available for general use. The Foundation's goal is generally to maintain financial assets sufficient to meet 180 days of operating expenses.

## (3) Investments

The Foundation's investment assets are dedicated to providing the financial resources needed to meet the Foundation's charitable objectives.

The following table summarizes the valuation of the Foundation's investments by the fair value hierarchy levels as of December 31, 2024:

| | Fair Value | Assets Measured at NAV (a) | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| Cash and money market | $ 1,063,833 | – | 1,063,833 | – | – |
| Fixed income | | | | | |
| Corporate bonds | 1,058,843 | – | – | 1,058,843 | – |
| Municipal bonds | 3,099,672 | – | – | 3,099,672 | – |
| Common stock | 5,845,384 | – | 5,845,384 | – | – |
| Exchange traded funds | 5,443,568 | – | 5,443,568 | – | – |
| Certificate of deposit | 449,925 | – | – | 449,925 | – |
| Alternative investment | 51,049 | 51,049 | – | – | – |
| | $ 17,012,274 | 51,049 | 12,082,785 | 4,608,440 | – |

## (3) Investments, Continued

The following table summarizes the valuation of the Foundation's investments by the fair value hierarchy levels as of December 31, 2023:

| | | Fair Value | Assets Measured at NAV (a) | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|---|
| Cash and money market | $ | 538,230 | – | 538,230 | – | – |
| Mutual funds | | | | | | |
| Stock funds | | 9,956,445 | – | 9,956,445 | – | – |
| Bond funds | | 3,003,367 | – | 3,003,367 | – | – |
| Exchange traded funds | | 278,103 | – | 278,103 | – | – |
| Certificate of deposit | | 449,615 | – | – | 449,615 | – |
| Alternative investment | | 90,641 | 90,641 | – | – | – |
| | $ | 14,366,401 | 90,641 | 13,826,145 | 449,615 | – |

(a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient, which is a reasonable estimate of fair value, have not been classified in the fair value hierarchy. The fair value amounts presented in the above table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Level 1 investments have been valued using a market approach. Level 2 investments are valued using quoted prices for similar assets and market-based inputs such as yield curves and credit spreads, as provided by third-party pricing services. Alternative investments are valued at net asset value per share (or its equivalent) as permitted under the practical expedient rule. There were no changes to valuation techniques during the current year.

The following table summarizes the significant information related to investments valued at net asset value per share (or its equivalent) as of December 31:

| | | Fair Value | | Unfunded | Redemption | Redemption Notice |
|---|---|---|---|---|---|---|
| | | 2024 | 2023 | Commitment | Frequency | Period |
| Alternative investment (a) | $ | 51,049 | 90,641 | n/a | n/a | n/a |

(a) 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. Additional GRP shares have been donated to the Foundation since the original investment was made, and in 2024, $40,000 in shares were withdrawn by the Foundation upon board approval. The fair value of this investment has been estimated using the net asset value as reported by the partnership.

## (4) Real Estate

In 2008, the Foundation received assets—including multiple parcels of real estate—from the William B. Endner Trust. These assets were transferred with the understanding that the Foundation would establish the William B. Endner Fund, a donor-advised endowment fund, with the proceeds received from the sale of those assets.

Four parcels were sold during 2008 and 2009, with additional sales occurring in 2016. As of December 31, 2024 and 2023, four remaining parcels are classified as real estate held for sale, with a carrying value of $132,400. The property is recorded at its donated value, which the Foundation believes approximates fair value.

The Foundation continues to explore opportunities for sale.

## (5) Mortgage Receivable

The Foundation held a note receivable from a seller-financed mortgage loan issued on August 1, 2016, in the original amount of $64,000, with an annual interest rate of 4.5%. The loan was structured with monthly payments of $665 and a final balloon payment originally due August 1, 2026.

The note was paid in full during 2024, ahead of schedule. As of December 31, 2024 and 2023, the outstanding balance was $0 and $19,757, respectively. Interest income received totaled $384 in 2024 and $1,059 in 2023.

## (6) Operating Lease Right-of-Use Asset and Operating Lease Liability

The Foundation has an operating lease agreement for office facilities in Gunnison, Colorado (the Lease). The lease has a 12-month term but is renewable on substantially similar terms for three additional 12-month periods. The Foundation currently anticipates utilizing all available renewals. The Foundation includes in the determination of right-of-use asset and lease liability the value of renewable options.

The weighted-average term and discount rate for the operating lease outstanding as of December 31, 2024 are as follows:

| | |
|---|---|
| Weighted-average term (months) | 24 |
| Weighted-average discount rate | 3.5% |

Future payments due under the operating lease are as follows for the years ending December 31:

| | |
|---|---|
| Undiscounted cash flows due in: | |
| 2025 | $ 30,000 |
| 2026 | 30,000 |
| Total undiscounted cash flows | 60,000 |
| Impact of present value discount | (2,441) |
| Operating lease liability | $ 57,559 |

## (7) Net Assets

Net assets without donor restrictions
Board designated net assets are reported as net assets without donor restrictions in the accompanying financial statements. Board designated net assets consist of the following at December 31:

| | 2024 | 2023 |
|---|---|---|
| Grantmaking endowment fund | $ 1,258,753 | 1,164,265 |
| Nonprofit leadership endowment fund | 71,096 | 62,004 |
| Grants fund | 116,460 | 99,012 |
| Creative Community fund | 20,830 | 17,674 |
| Emergency fund | 16,515 | 16,429 |
| Future designations fund | – | 9,067 |
| Total board designated net assets | $ 1,483,654 | 1,368,451 |

The board designated endowments funds are subject to the endowment spending policy as described in note 8.

Net assets with donor restrictions
Donor-restricted net assets consisted of the following at December 31:

| | 2024 | 2023 |
|---|---|---|
| Purpose restricted gifts | $ 5,198,725 | 3,677,484 |
| Donor restricted endowments | 8,956,166 | 7,802,954 |
| Total net assets with donor restrictions | $ 14,154,891 | 11,480,438 |

Net assets released from donor restrictions totaled $3,277,000 and $76,806 during 2024 and 2023, respectively, as a result of satisfying the related restrictions.

## (8) Endowments

The State of Colorado adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation's board of directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as nets assets with donor restrictions: (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the donor gift instrument. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

## (8) Endowments, Continued

The Foundation's endowment funds consist of the following at December 31, 2024:

| | Without donor restrictions | With donor restrictions | Total endowments |
|---|---|---|---|
| Board-designated endowments | $ 1,329,849 | – | 1,329,849 |
| Donor-restricted endowments | – | 8,956,166 | 8,956,166 |
| Total endowment net assets | $ 1,329,849 | 8,956,166 | 10,286,015 |

The Foundation's endowment funds consist of the following at December 31, 2023:

| | Without donor restrictions | With donor restrictions | Total endowments |
|---|---|---|---|
| Board-designated endowments | $ 1,226,269 | – | 1,226,269 |
| Donor-restricted endowments | – | 7,802,954 | 7,802,954 |
| Total endowment net assets | $ 1,226,269 | 7,802,954 | 9,029,223 |

Following are the changes in the endowment net assets:

| | Without donor restrictions | With donor restrictions | Total endowments |
|---|---|---|---|
| Endowment net assets, December 31, 2022 | $ 1,090,821 | 6,798,862 | 7,889,683 |
| Contributions | 4,003 | 116,881 | 120,884 |
| Investment return | 194,601 | 1,234,047 | 1,428,648 |
| Appropriations | (63,156) | (346,836) | (409,992) |
| Endowment net assets, December 31, 2023 | 1,226,269 | 7,802,954 | 9,029,223 |
| Contributions | 20,510 | 529,297 | 549,807 |
| Investment return | 160,245 | 1,046,058 | 1,206,303 |
| Appropriations | (77,175) | (422,143) | (499,318) |
| Endowment net assets, December 31, 2024 | $ 1,329,849 | 8,956,166 | 10,286,015 |

*Funds with Deficiencies*
From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the amount of the original gift. As of December 31, 2024 and 2023, none of the Foundation's endowment funds were deficient.

*Return Objectives and Strategies for Achieving Objectives*
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 seeking to maintain the purchasing power of the endowment assets. Under this policy, endowment assets are invested in a manner that is intended to maximize return, minimize risk, and minimize expenses.

To satisfy its long-term objectives, the Foundation relies on total return strategy in which investment 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.

## (8) Endowments, Continued

*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.

## (9) Retirement Plan

The Foundation offers a SIMPLE IRA to eligible full-time employees. Participants may contribute any amount up to the maximum allowable amount. The Foundation makes discretionary matching contributions. Matching contributions totaled $6,757 and $5,317 for the years ended December 31, 2024 and 2023, respectively.

## Community Foundation of the Gunnison Valley
### Schedule of Expenditures of Federal Awards
### Year Ended December 31, 2024

| Federal grantor/pass-through grantor/program title | Pass-through entity identi-fying number | Grant award year | Assistance listing number | Federal expend-itures |
|---|---|---|---|---|
| ***U.S. Department of the Treasury*** | | | | |
| *Passed through State of Colorado Department of Local Affairs* | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | | | | |
| *Nonprofit Infrastructure Grant Program* | NPI-22-004 | 1/1/2024-12/31/2024 | 21.027 | $ 2,088,418 |
| ***Total U.S. Department of the Treasury*** | | | | 2,088,418 |
| ***Total Expenditures of Federal Awards*** | | | | $ 2,088,418 |

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community Foundation of the Gunnison Valley under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Foundation of the Gunnison Valley, it is not intended and does not present the financial position, changes in net assets, or cash flows of Community Foundation of the Gunnison Valley.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

Community Foundation of the Gunnison Valley was required by state statute (HB22-1356) to use an indirect cost rate of 5%.

**Note 4: Subrecipients**

Community Foundation of the Gunnison Valley did not pass through federal awards to subrecipients during the year ended December 31, 2024.

Kundinger, Corder & Montoya, P.C.
Certified Public Accountants

**<u>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*</u>**

**Board of Directors**
**Community Foundation of the Gunnison Valley**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Foundation of the Gunnison Valley (the Foundation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2025.

**Report on Internal Control over Financial Reporting**
In planning and performing our audit of the financial statements, we considered The Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of The Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**
As part of obtaining reasonable assurance about whether The Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

**Board of Directors**
**Community Foundation of Gunnison Valley**

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kundinger, Corder & Montoya, P.C.

June 26, 2025

Kundinger, Corder & Montoya, P.C.
Certified Public Accountants

## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

**Board of Directors**
**Community Foundation of the Gunnison Valley**

### Report on Compliance for Each Major Federal Program

***Opinion on Each Major Federal Program***
We have audited Community Foundation of the Gunnison Valley's (the Foundation) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended December 31, 2024. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kundinger, Corder & Montoya, P.C.

June 26, 2025

# Community Foundation of the Gunnison Valley
## Schedule of Findings and Questioned Costs
## Year Ended December 31, 2024

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**A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Community Foundation of the Gunnison Valley (the Foundation) were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*
3. No instances of noncompliance material to the financial statements of the Foundation, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit as reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance*.
5. The auditor's report on compliance for the major federal award program expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no audit findings relating to major programs that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was the Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing No. 21.027).
8. The threshold for distinguishing between Type A and B programs was $750,000.
9. The Foundation was determined not to be a low-risk auditee.

**B. Findings – Financial Statements Audit**

None.

**C. Findings and Questioned Costs – Major Federal Award Programs Audit**

None.

None.