

**COMMUNITY FOUNDATION
SERVING SOUTHWEST COLORADO**

FINANCIAL STATEMENTS

December 31, 2021 and 2020



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Directors
Community Foundation
Serving Southwest Colorado
Durango, Colorado

Opinion

We have audited the accompanying financial statements of Community Foundation Serving Southwest Colorado (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 Auditors' 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

Certified Public Accountants

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 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 Organization'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 Organization'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are 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 audit 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

June 22, 2022

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,642,564	\$ 1,086,261
Investments	7,676,234	6,266,268
Accounts Receivable	17,000	-
Prepaid Expense	7,500	-
Other	4,340	1,591
	10,347,638	7,354,120
Noncurrent Assets		
Buildings	37,158	-
	37,158	-
	\$ 10,384,796	\$ 7,354,120
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 7,095	\$ -
Accrued Payroll	19,490	-
Agency Funds	2,253,612	1,827,786
	2,280,197	1,827,786
NET ASSETS		
Net Assets		
Without Donor Restrictions:		
Donor Advised	5,379,087	3,799,323
Designated	55,734	32,245
Board Designated - Field of Interest	165,000	-
Discretionary	1,429,776	495,668
With Donor Restrictions:		
Purpose Restricted	1,075,002	1,199,098
	8,104,599	5,526,334
	\$ 10,384,796	\$ 7,354,120

The accompanying notes are an integral part of this financial statement.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUES, GAINS, AND OTHER SUPPORT			
Gifts, Grants, and Contributions	\$ 4,917,376	\$ 1,055,470	\$ 5,972,846
Events income, net of expense of \$22,278	8,029	1,102	9,131
Investment Income (Loss)			
Interest and Dividends	205,420	43,926	249,346
Realized and Unrealized Gains (Losses)	887,653	55,095	942,748
In-Kind Donations	123	40,292	40,415
Administration Income	278,361	-	278,361
Other Income	-	-	-
Net Assets Released From Restriction	1,319,981	(1,319,981)	-
Total from Revenues, Gains, and Other Support	7,616,943	(124,096)	7,492,847
EXPENSES AND LOSSES			
Program Services			
Grants	3,860,491	-	3,860,491
Program Funding	427,518	-	427,518
Scholarships	3,750	-	3,750
Other Program Expenses	245,430	-	245,430
Total Program Services	4,537,189	-	4,537,189
Supporting Services			
Management and General	331,019	-	331,019
Fundraising	46,374	-	46,374
Total Expenses and Losses	4,914,582	-	4,914,582
Change in Net Assets	2,702,361	(124,096)	2,578,265
NET ASSETS, BEGINNING OF YEAR	4,327,236	1,199,098	5,526,334
NET ASSETS AT END OF YEAR	\$ 7,029,597	\$ 1,075,002	\$ 8,104,599

The accompanying notes are an integral part of this financial statement.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Gifts, Grants, and Contributions	\$ 1,776,417	\$ 1,526,461	\$ 3,302,878
Events income, net of expense of \$11,443	69,145	-	69,145
Investment Income (Loss)			
Interest and Dividends	252,660	32,725	285,385
Realized and Unrealized Gains (Losses)	(9,895)	7,805	(2,090)
In-Kind Donations	-	45,600	45,600
Administration Income	220,399	-	220,399
Other Income	-	-	-
Net Assets Released From Restriction	1,276,205	(1,276,205)	-
Total from Revenues, Gains, and Other Support	3,584,931	336,386	3,921,317
EXPENSES AND LOSSES			
Program Services			
Grants	2,385,428	-	2,385,428
Program Funding	455,653	-	455,653
Scholarships	3,000	-	3,000
Other Program Expenses	134,282	-	134,282
Total Program Services	2,978,363	-	2,978,363
Supporting Services			
Management and General	260,502	-	260,502
Fundraising	53,629	-	53,629
Total Expenses and Losses	3,292,494	-	3,292,494
Change in Net Assets	292,437	336,386	628,823
NET ASSETS, BEGINNING OF YEAR	4,034,799	862,712	4,897,511
NET ASSETS AT END OF YEAR	\$ 4,327,236	\$ 1,199,098	\$ 5,526,334

The accompanying notes are an integral part of this financial statement.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 2,578,265	\$ 628,823
Adjustments to reconcile change in net assets to Net cash provided (used) by operating activities:		
Realized/Unrealized (Gain) Loss on Investments	(1,154,919)	(13,617)
(Increase) decrease in:		
Accounts Receivable	(17,000)	
Prepaid Expense	(7,500)	
Other Assets	(2,749)	(522)
Increase (decrease) in:		
Accounts Payable	7,095	-
Accrued Payroll	19,490	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,422,682	614,684
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of investments	477,858	541,626
Purchase of investments	(732,905)	(826,026)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(255,047)	(284,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in investments managed for others	425,826	216,098
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	425,826	216,098
Net Increase (Decrease) in Cash and Cash Equivalents	1,593,461	546,382
CASH, AT BEGINNING OF YEAR	1,086,261	539,879
CASH, AT END OF YEAR	\$ 2,679,722	\$ 1,086,261
NON-CASH INVESTING ACTIVITIES		
Interest and Dividends Reinvested	\$ 425,049	\$ 400,995

The accompanying notes are an integral part of this financial statement.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	2021			Total
	Program Services	Management and General	Fundraising	
Grants Made to Nonprofits and Other				
Program Recipients	\$ 3,758,362	\$ -	\$ -	\$ 3,758,362
Fiscal Sponsorship Program Funding	389,236	-	-	389,236
Field of Interest Program Funding	38,282	-	-	38,282
Scholarships	3,750	-	-	3,750
Administrative Grants and				
Management Fees	-	222,816	-	222,816
General Fund				
Salaries and Benefits	159,218	74,301	31,843	265,362
Grants Made to Nonprofits and				
Other Program Recipients	61,714	-	-	61,714
Advertising and Marketing	13,178	-	-	13,178
In-Kind Expenses	40,415	-	-	40,415
Payroll Taxes	16,040	7,485	3,208	26,733
Audit	6,600	3,080	1,320	11,000
Rent	5,400	2,520	1,080	9,000
Program Funding	16,244	7,580	3,249	27,073
Other	28,750	13,238	5,673	47,661
	<u>\$ 4,537,189</u>	<u>\$ 331,019</u>	<u>\$ 46,374</u>	<u>\$ 4,914,582</u>
Total Expenses				

The accompanying notes are an integral part of this financial statement.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	2020			Total
	Program Services	Management and General	Fundraising	
Grants Made to Nonprofits and Other				
Program Recipients	\$ 2,362,102	\$ -	\$ -	\$ 2,362,102
Fiscal Sponsorship Program Funding	369,962	-	-	369,962
Field of Interest Program Funding	85,691	-	-	85,691
Scholarships	3,000	-	-	3,000
Administrative Grants and				
Management Fees	-	169,287	-	169,287
General Fund				
Salaries and Benefits	86,068	63,615	37,421	187,104
Grants Made to Nonprofits and				
Other Program Recipients	23,326	-	-	23,326
Advertising and Marketing	11,606	708	390	12,703
In-Kind Expenses	-	-	-	-
Payroll Taxes	6,040	4,464	2,626	13,130
Audit	5,060	3,740	2,200	11,000
Rent	4,030	2,978	1,752	8,760
Program Funding	7,605	5,621	3,307	16,533
Other	13,874	10,088	5,934	29,896
	<u>\$ 2,978,363</u>	<u>\$ 260,502</u>	<u>\$ 53,629</u>	<u>\$ 3,292,494</u>
Total Expenses				

The accompanying notes are an integral part of this financial statement.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Community Foundation Serving Southwest Colorado (the Foundation) was founded in 1998 to promote philanthropy throughout southwestern Colorado. The Foundation's support comes primarily from individual donor contributions and grants.

The Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Accounting

The financial statement presentation follows the guidance of the Financial Accounting Standards Board, ASU 2016-14 Not-for-Profit Entities (Topic 958). Under these standards, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Contributions received are reported as with or without donor restrictions, depending on the existence or nature of any donor restrictions. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, purpose restricted net assets are reclassified to net assets without donor restrictions.

The Foundation's with donor restrictions net assets consist of designated funds, scholarship funds, and fiscal sponsorship funds that are limited as to use for certain causes, scholarships for individuals attending specific institutions, or fiscal sponsorship of certain organizations. Based on the nature of the underlying donor agreements, these donations are reported as with donor restrictions when received. As the funds are spent for the intended purposes, the restrictions are released.

The Foundation also receives and holds funds for charitable organizations or programs to aid those organizations with investment management and or administrative support. Receipts and disbursements related to these funds are excluded from revenues and expenses of the Foundation. A liability is reported for these funds held for others and is included in the Statement of Financial Position caption "Agency Funds".

Income Taxes

Community Foundation Serving Southwest Colorado is a not-for-profit, charitable organization and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Foundation adopted newly effective accounting requirements that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns, including the position that the Foundation continues to qualify to be treated as a tax-exempt organization for both federal and state income tax purposes. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from that assessment. When the Foundation has unrelated business taxable income, the federal Exempt Organization Business Income Tax Returns (Form 990T) would be subject to examination by the Internal Revenue Service for three years after they are filed. Should any penalties and interest be incurred, they would be recognized as management and general expenses.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021 and 2020

Based on the results of management’s evaluation, these requirements did not have a material effect on the Foundation’s financial statements. Consequently, no liability is recognized in the accompanying balance sheet for uncertain tax positions.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results may differ from the estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity date of three months or less to be cash equivalents.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the Foundation’s deposits may not be returned to it. The Foundation had bank deposits that exceeded insurance coverage by a total of \$1,863,879 and \$517,529 for the years ended December 31, 2021 and 2020, respectively.

Investments

Investments are comprised of common stocks and mutual funds invested in debt and equity securities. They are carried at fair value as determined by quoted prices available in active markets for identical investments as of the reporting date.

Advertising Costs

Advertising costs are expensed as incurred.

Donated Services

Donated services are recognized as contributions in accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by providers with those skills, and would otherwise need to be purchased by the Foundation. The value of contributed services meeting these requirements is as follows:

	2021	2020
Advertising	\$ 123	\$ -
Volunteer Hours	6,000	6,000
	\$ 6,123	\$ 6,000

Functional Reporting of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, those expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and benefits, payroll taxes, advertising and marketing, audit, rent, program funding, and other. The expenses are allocated on the basis of time dedicated to various categories.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021 and 2020

Reclassification

Certain reclassifications were made to the Fiscal Year 2020 financial statements in order to conform to the Fiscal Year 2021 financial statement presentation.

Accounting Standards Update 2014-09

During fiscal year 2020, the Foundation adopted the provisions of FASB Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This update establishes principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The implementation of this standard did not have a material impact on the Foundation's financial statements and no adjustments were necessary.

NOTE 2 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

At December 31, 2021 the Foundation has \$6,984,939 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$2,642,564, investments of \$7,676,234, accounts receivable of \$17,000 and other of \$4,340 reduced by liabilities of \$2,280,197, and reduced by amounts restricted for specific purposes of \$1,075,002.

At December 31, 2020 the Foundation has \$4,327,170 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$1,086,261, investments of \$6,266,268, and other of \$1,516 reduced by agency funds held for others of \$1,827,786, and reduced by amounts restricted for specific purposes of \$1,199,089.

Donor restrictions are disclosed in the note titled Net Assets with Donor Restrictions. Agency funds held for others are subject to agreements with other entities and are unavailable for general expenditures within one year of the balance sheet date.

NOTE 3 INVESTMENTS AND CONCENTRATIONS OF RISK

Dodge and Cox provides investment management to the Foundation through separately managed portfolios and mutual funds. Fundholders may request that the proceeds of their donation to be invested in one or more of the Foundation's investment options. The Foundation reserves the right to change the request in the future. Investments, stated at quoted market prices, are summarized as follows:

	<u>2021</u>	<u>2020</u>
Dodge and Cox Stock Fund	\$ 4,522,680	\$ 3,598,626
Dodge and Cox Balanced Fund	2,750,077	2,260,252
Dodge and Cox Income Fund	213,036	226,086
Dodge and Cox International Stock Fund	54,629	49,203
The Income Fund of America	14,146	11,399
Corporate Notes Maturing in 2021 through 2027	121,666	120,702
	<u>\$ 7,676,234</u>	<u>\$ 6,266,268</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 4 INVESTMENT INCOME

Interest and dividend income of \$249,346 and \$285,385 was recognized on marketable securities during 2021 and 2020, respectively. Investment fees of \$218,539 and \$136,041 were incurred during 2021 and 2020, respectively.

NOTE 5 INVESTMENTS MANAGED FOR OTHERS

Included in the Foundation's investments are funds deposited by other organizations. These amounts are recorded as liabilities of the Foundation, and income on these investments is not included in the Foundation's revenue. Activity on investments managed for others is comprised of the following:

	<u>2021</u>	<u>2020</u>
Deposits at Beginning of Year	\$ 1,827,786	\$ 1,611,688
Deposits During the Year	93,261	149,079
Withdrawals During the Year	(56,207)	(63,275)
Interest and Dividends and Realized/Unrealized Investment Gains/Losses	388,772	130,294
	<u>\$ 2,253,612</u>	<u>\$ 1,827,786</u>

NOTE 6 FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

- Cash and cash equivalents, other assets, agency funds, and other liabilities: The carrying amounts reported in the statement of financial position approximates fair values because of the short maturities of those instruments.
- Marketable securities: The fair values of investments are based on quoted market prices for those identical instruments.

The fair values of the Foundation's financial instruments at December 31, 2021 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets		
Cash and cash equivalents	\$ 2,642,564	\$ 2,642,564
Investment Securities	7,676,234	7,676,234
Other	4,340	4,340
Financial Liabilities		
Agency Funds	2,253,612	2,253,612

The Foundation is subject to the provisions of FASB ASC 820-10, which establishes a framework for measuring fair value of financial instruments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are described below:

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021 and 2020

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2: Prices determined using significant other observable inputs including the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following tables set forth, by level within the fair value hierarchy, the Foundation's financial instrument assets at fair value on a recurring basis as of December 31, 2021 and 2020:

December 31, 2021	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Dodge and Cox Stock	\$ 4,522,680	\$ 4,522,680	\$ -	\$ -
Dodge and Cox Balance Fund	2,750,077	2,750,077	-	-
Dodge and Cox Income Fund	213,036	213,036	-	-
Dodge and Cox International Stock Fund	54,629	54,629	-	-
The Income Fund of America	14,146	14,146	-	-
Corporate Notes Maturing in 2023-2027	121,666	121,666	-	-
	<u>\$ 7,676,234</u>	<u>\$ 7,676,234</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021 and 2020

December 31, 2020	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Dodge and Cox Stock	\$ 3,598,626	\$ 3,598,626	\$ -	\$ -
Dodge and Cox Balance Fund	2,260,252	2,260,252	-	-
Dodge and Cox Income Fund	226,086	226,086	-	-
Dodge and Cox International Stock Fund	49,203	49,203	-	-
The Income Fund of America	11,399	11,399	-	-
Corporate Notes Maturing in 2021-2026	120,702	120,702	-	-
	<u>\$ 6,266,268</u>	<u>\$ 6,266,268</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are summarized below:

	<u>2021</u>	<u>2020</u>
Designated and Fiscal Sponsorships		
Community Emergency Relief	\$ 250,586	\$ 411,939
Café au Play	26,524	89,271
Pine River Shares	228,756	190,660
Cancer Coalition of Southwest Colorado	45,512	44,917
Bear Smart	11,836	4,687
Daybreak Solar	11,065	11,065
Durango Derailers	5,171	7,644
Archuleta County Fund	51,685	38,338
New Face Productions	-	16,078
All Forward Adventures	1,145	456
Community Treehouse	13,350	6,838
La Plata County	51,854	35,726
Leadership La Plata Fund	(200)	-
Impact Investing	25,376	21,700
Other Fiscal Sponsorships	3,023	4,196
Scholarship Funds		
La Plata Rotary	336,195	303,595
Durango Area Realtors	13,124	11,988
Total	<u>\$ 1,075,002</u>	<u>\$ 1,199,098</u>

NOTE 8 RETIREMENT PLAN

The Foundation implemented a Simplified Employee Pension Plan (SEP-IRA) for employees starting January 1, 2019. The approved contribution rate as of December 31, 2021 and 2020 is 3% of eligible employees' wages, and during the year ended December 31, 2021 and 2020, the contribution expense was \$5,826 and \$5,149, respectively.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 9 COMMITMENTS AND CONTINGENCIES

Contingencies, Risks, and Uncertainties

In March of 2020, the COVID-19 virus was declared a global pandemic. Business continuity could be severely impacted for months or more, as significant and unprecedented measures to mitigate the consequences of the pandemic are undertaken. The Foundation has a significant amount of assets held in investments which may experience significant losses during this pandemic. No adjustments have been made to these financial statements as the potential impact is unknown at this time.

NOTE 10 SUBSEQUENT EVENTS

In January 2022, the Foundation closed on the purchase of new office space for a total of \$560,000, of which the Foundation financed a portion with a 20 year loan amounting to \$390,000 from First Southwest Bank with an interest rate of 3.875 percent.

Community Foundation Serving Southwest Colorado is subject to the provisions of FASB ASC 855-10-50, *Subsequent Events*, which establishes a requirement for disclosing the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. Management has evaluated subsequent events through June 22, 2022, the date of the financial statements were available to be issued.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
WITHOUT DONOR RESTRICTIONS
For the Year Ended December 31, 2021

	2021				
	Without Donor Restrictions				
	General Fund	Donor Advised Fund	Designated Fund	Field of Interest	Total
REVENUES, GAINS, AND OTHER SUPPORT					
Gifts, Grants, and Contributions	\$ 1,053,222	\$ 3,665,148	\$ 34,006	\$ 165,000	\$ 4,917,376
Events Income	8,029	-	-	-	8,029
Investment Income (Loss)					
Interest and Dividends	26,575	175,830	3,015	-	205,420
Realized and Unrealized Gain (Loss)	17,419	872,343	(2,109)	-	887,653
In-Kind Donations	123	-	-	-	123
Administration Income	278,361	-	-	-	278,361
Other Income	-	-	-	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	1,383,729	4,713,321	34,912	165,000	6,296,962
EXPENSES					
Grants	80,238	2,997,193	10,738	-	3,088,169
Program Funding	610	-	-	-	610
Other	368,773	136,364	685	-	505,822
TOTAL EXPENSES	449,621	3,133,557	11,423	-	3,594,601
Change in Net Assets	934,108	1,579,764	23,489	165,000	2,702,361
NET ASSETS AT BEGINNING OF YEAR	495,668	3,799,323	32,245	-	4,327,236
NET ASSETS AT END OF YEAR	<u>\$ 1,429,776</u>	<u>\$ 5,379,087</u>	<u>\$ 55,734</u>	<u>\$ 165,000</u>	<u>\$ 7,029,597</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
WITHOUT DONOR RESTRICTIONS
For the Year Ended December 31, 2020

	2020			
	Without Donor Restrictions			
	General Fund	Donor Advised Fund	Designated Fund	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Gifts, Grants, and Contributions	\$ 222,170	\$ 1,553,147	\$ 1,100	\$ 1,776,417
Events Income	69,145	-	-	69,145
Investment Income (Loss)				
Interest and Dividends	15,003	236,116	1,541	252,660
Realized and Unrealized Gain (Loss)	1,603	(12,887)	1,389	(9,895)
In-Kind Donations	-	-	-	-
Administration Income	220,399	-	-	220,399
Other Income	-	-	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	528,320	1,776,376	4,030	2,308,726
EXPENSES				
Grants	108,641	1,547,999	4,083	1,660,723
Program Funding	-	-	-	-
Other	278,961	75,774	831	355,566
TOTAL EXPENSES	387,602	1,623,773	4,914	2,016,289
Change in Net Assets	140,718	152,603	(884)	292,437
NET ASSETS AT BEGINNING OF YEAR	354,950	3,646,720	33,129	4,034,799
NET ASSETS AT END OF YEAR	\$ 495,668	\$ 3,799,323	\$ 32,245	\$ 4,327,236

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
WITH DONOR RESTRICTIONS AND AGENCY FUNDS
For the Year Ended December 31, 2021

	2021					
	With Donor Restrictions					Organization Agency Fund
	Designated Fund	Scholarship Fund	Fiscal Sponsorship Fund	Field of Interest Fund	Total Restricted	
REVENUES, GAINS, AND OTHER SUPPORT						
Gifts, Grants, and Contributions	\$ 3,333	\$ 6,993	\$ 403,230	\$ 641,914	\$ 1,055,470	\$ 93,260
Events Income	-	-	1,102	-	1,102	-
Investment Income (Loss)						
Interest and Dividends	6,103	7,261	107	30,455	43,926	177,452
Realized and Unrealized Gain (Loss)	30,994	4,932	-	19,169	55,095	211,320
In-Kind Donations	-	-	40,292	-	40,292	-
Administration Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	40,430	19,186	444,731	691,538	1,195,885	482,032
EXPENSES						
Grants	17,500	-	59,021	695,801	772,322	32,609
Program Funding	-	-	388,626	38,282	426,908	-
Scholarships	-	3,750	-	-	3,750	-
Administrative	2,668	1,961	30,208	74,359	109,196	23,597
Other	-	-	-	7,805	7,805	-
TOTAL EXPENSES	20,168	5,711	477,855	816,247	1,319,981	56,206
Change in Net Assets	<u>\$ 20,262</u>	<u>\$ 13,475</u>	<u>\$ (33,124)</u>	<u>\$ (124,709)</u>	(124,096)	425,826
NET ASSETS AT BEGINNING OF YEAR					<u>1,199,098</u>	<u>1,827,786</u>
NET ASSETS AT END OF YEAR					<u>\$ 1,075,002</u>	<u>\$ 2,253,612</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
WITH DONOR RESTRICTIONS AND AGENCY FUNDS
For the Year Ended December 31, 2020

	2020					
	With Donor Restrictions				Total Restricted	Organization Agency Fund
	Designated Fund	Scholarship Fund	Fiscal Sponsorship Fund	Field of Interest Fund		
REVENUES, GAINS, AND OTHER SUPPORT						
Gifts, Grants, and Contributions	\$ 4,068	\$ 5,000	\$ 469,864	\$ 1,047,529	\$ 1,526,461	\$ 149,079
Events Income	-	-	-	-	-	-
Investment Income (Loss)						
Interest and Dividends	15,096	719	320	16,590	32,725	118,885
Realized and Unrealized Gain (Loss)	746	(462)	-	7,521	7,805	11,409
In-Kind Donations	-	-	-	45,600	45,600	-
Administration Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	19,910	5,257	470,184	1,117,240	1,612,591	279,373
EXPENSES						
Grants	14,500	-	-	710,205	724,705	45,650
Program Funding	-	-	369,962	85,691	455,653	-
Scholarships	-	3,000	-	-	3,000	-
Administrative	2,933	210	34,965	54,739	92,847	17,625
TOTAL EXPENSES	17,433	3,210	404,927	850,635	1,276,205	63,275
Change in Net Assets	<u>\$ 2,477</u>	<u>\$ 2,047</u>	<u>\$ 65,257</u>	<u>\$ 266,605</u>	336,386	216,098
NET ASSETS AT BEGINNING OF YEAR					<u>862,712</u>	<u>1,611,688</u>
NET ASSETS AT END OF YEAR					<u>\$ 1,199,098</u>	<u>\$ 1,827,786</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SCHEDULE OF GENERAL FUND CHANGE IN NET ASSETS
December 31, 2021 and 2020

	2021	2020
GENERAL FUND REVENUS, GAINS, AND OTHER SUPPORT		
Gifts, Grants, and Contributions	\$ 1,053,222	\$ 219,913
Events Income	8,029	71,402
Investment Income (Loss)		
Interest and Dividends	26,575	15,003
Realized and Unrealized Gains (Losses)	17,419	1,603
In-Kind Donations	123	-
Administration Income	278,361	220,399
	1,383,729	528,320
TOTAL GENERAL FUND REVENUS, GAINS, AND OTHER SUPPORT		
 GENERAL FUND ADMINISTRATIVE EXPENSES		
Payroll and Related Expenses	262,271	201,026
Advertising	3,812	2,441
Accounting and Audit	12,155	11,800
Rent	9,000	8,760
Grants Management	2,480	6,571
Contract Services	2,668	1,868
Insurance	4,322	3,995
Supplies	2,794	3,089
Fundraising	-	-
Postage	1,778	1,640
Telephone	2,373	1,368
Dues and Subscriptions	2,884	1,609
Software	7,500	-
Website Expenses	4,596	4,001
Program Funding	40,431	27,331
Office Building Costs	3,500	-
Other	6,819	3,462
	369,383	278,961
TOTAL GENERAL FUND ADMINISTRATIVE EXPENSES		
GENERAL FUND GRANT EXPENSES	80,238	108,641
TOTAL GENERAL FUND EXPENSES	449,621	387,602
 GENERAL FUND CHANGE IN NET ASSETS	\$ 934,108	\$ 140,718