

**COMMUNITY FOUNDATION
SERVING SOUTHWEST COLORADO**

FINANCIAL STATEMENTS

December 31, 2022 and 2021



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
TABLE OF CONTENTS
December 31, 2022 and 2021

	Page
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	6
Statements of Functional Expenses	7
Notes to the Financial Statements	9
Supplemental Information	
Supplemental Schedule of Revenues and Expenses Without Donor Restrictions	15
Supplemental Schedule of Revenues and Expenses With Donor Restrictions and Agency Funds	17
Supplemental Schedule of General Fund Change in Net Assets	19

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 (the Foundation), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 Foundation as of December 31, 2022 and 2021, 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 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 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 Foundation'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 collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Certified Public Accountants

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 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, that 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.

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

May 31, 2023

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 4,567,603	\$ 2,642,564
Investments	8,945,943	7,676,234
Accounts Receivable	45,926	17,000
Prepaid Expense	16,955	7,500
Other	82,357	4,340
Total Current Assets	<u>13,658,784</u>	<u>10,347,638</u>
Property and Equipment	<u>692,233</u>	<u>37,158</u>
TOTAL ASSETS	<u><u>\$ 14,351,017</u></u>	<u><u>\$ 10,384,796</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 27,242	\$ 7,095
Accrued Payroll	33,763	19,490
Deferred Revenue	3,368,920	-
Agency Funds	2,368,109	2,253,612
Current Portion of Long-Term Debt	13,582	-
Total Current Liabilities	<u>5,811,616</u>	<u>2,280,197</u>
Long-Term Debt	<u>364,404</u>	<u>-</u>
TOTAL LIABILITIES	<u>6,176,020</u>	<u>2,280,197</u>
NET ASSETS		
Net Assets		
Without Donor Restrictions:		
Donor Advised	4,115,314	5,379,087
Designated	61,112	55,734
Board Designated - Field of Interest	151,567	165,000
Discretionary	1,386,607	1,429,776
With Donor Restrictions:		
Purpose Restricted	<u>2,460,397</u>	<u>1,075,002</u>
TOTAL NET ASSETS	<u>8,174,997</u>	<u>8,104,599</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 14,351,017</u></u>	<u><u>\$ 10,384,796</u></u>

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, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Gifts, Grants, and Contributions	\$ 817,281	\$ 2,116,613	\$ 2,933,894
Events income, net of expense of \$26,174	70,886	18,686	89,572
Investment Income (Loss)			
Interest and Dividends	250,262	117,971	368,233
Realized and Unrealized Gains (Losses)	(620,331)	(122,664)	(742,995)
In-Kind Donations	7,500	282	7,782
Administration Income	224,880	7,099	231,979
Other Income	15,292	166	15,458
Net Assets Released From Restriction	752,758	(752,758)	-
Total from Revenues, Gains, and Other Support	1,518,528	1,385,395	2,903,923
EXPENSES AND LOSSES			
Program Services			
Grants	1,535,990	-	1,535,990
Program Funding	461,172	-	461,172
Scholarships	56,750	-	56,750
Other Program Expenses	242,398	-	242,398
Total Program Services	2,296,310	-	2,296,310
Supporting Services			
Management and General	380,229	-	380,229
Fundraising	156,986	-	156,986
Total Expenses and Losses	2,833,525	-	2,833,525
Change in Net Assets	(1,314,997)	1,385,395	70,398
NET ASSETS, BEGINNING OF YEAR	7,029,597	1,075,002	8,104,599
NET ASSETS AT END OF YEAR	\$ 5,714,600	\$ 2,460,397	\$ 8,174,997

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		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Gifts, Grants, and Contributions	\$ 4,894,150	\$ 1,055,470	\$ 5,949,620
Events income, net of expense of \$22,278	31,255	1,102	32,357
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	3,820,076	-	3,820,076
Program Funding	427,518	-	427,518
Scholarships	3,750	-	3,750
Other Program Expenses	285,845	-	285,845
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
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 70,398	\$ 2,578,265
Adjustments to reconcile change in net assets to		
Net cash provided (used) by operating activities:		
Depreciation Expense	15,909	-
Realized/Unrealized (Gain) Loss on Investments	1,121,714	(1,154,919)
(Increase) decrease in:		
Accounts Receivable	(28,926)	(17,000)
Prepaid Expense	(9,455)	(7,500)
Other Assets	(78,017)	(2,749)
Increase (decrease) in:		
Accounts Payable	20,147	7,095
Deferred Revenue	3,368,920	-
Accrued Payroll	14,273	19,490
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>4,494,963</u>	<u>1,422,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(670,984)	(37,158)
Redemption of investments	484,114	477,858
Purchase of investments	<u>(2,875,536)</u>	<u>(732,905)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(3,062,406)</u>	<u>(292,205)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in investments managed for others	114,497	425,826
Proceeds from Long-Term Debt	390,000	-
Payments on Long-Term Debt	(12,015)	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>492,482</u>	<u>425,826</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,925,039	1,556,303
CASH, AT BEGINNING OF YEAR	<u>2,642,564</u>	<u>1,086,261</u>
CASH, AT END OF YEAR	<u><u>\$ 4,567,603</u></u>	<u><u>\$ 2,642,564</u></u>
SUPPLEMENTAL DISCLOSURES		
Interest and Dividends Reinvested	\$ 550,204	\$ 425,049
Cash Paid During the Year for Interest	13,824	-

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, 2022

	2022			
	Program Services	Management and General	Fundraising	Total
Grants Made to Nonprofits and Other				
Program Recipients	\$ 1,535,990	\$ -	\$ -	\$ 1,535,990
Fiscal Sponsorship Program Funding	448,056	-	-	448,056
Field of Interest Program Funding	13,116	-	-	13,116
Scholarships	56,750	-	-	56,750
Administrative Grants and				
Management Fees	-	153,179	-	153,179
Salaries and Benefits	155,493	141,679	84,545	381,717
Advertising and Marketing	22,616	-	42,361	64,977
In-Kind Expenses	7,500	-	-	7,500
Payroll Taxes	11,256	14,070	5,941	31,267
Audit	5,130	6,413	2,707	14,250
Rent	1,350	1,688	712	3,750
Program Funding	7,345	9,181	3,876	20,402
Other	31,708	54,019	16,844	102,571
	<u>31,708</u>	<u>54,019</u>	<u>16,844</u>	<u>102,571</u>
Total Expenses	<u>\$ 2,296,310</u>	<u>\$ 380,229</u>	<u>\$ 156,986</u>	<u>\$ 2,833,525</u>

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			
	Program Services	Management and General	Fundraising	Total
Grants Made to Nonprofits and Other				
Program Recipients	\$ 3,820,076	\$ -	\$ -	\$ 3,820,076
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
Salaries and Benefits	159,218	74,301	31,843	265,362
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
Total Expenses	<u>\$ 4,537,190</u>	<u>\$ 331,019</u>	<u>\$ 46,374</u>	<u>\$ 4,914,583</u>

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

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

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.

The Foundation's net assets without donor restrictions consist of general funds, donor advised funds, designated funds, and field of interest funds. The Foundation receives advice from individual donors regarding the timing and eventual recipients of donor advised funds; however, the Foundation retains final decision making authority over these funds. Designated funds and field of interest funds without donor restrictions are targeted for certain areas of philanthropic aid. The Foundation retains final decision making authority over these funds as well. Accordingly, these funds are recorded as donations 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, 2022 and 2021

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 \$626,688 and \$1,863,879 for the years ended December 31, 2022 and 2021, 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.

Property and Equipment

Acquisitions are recorded at historical cost or estimated historical cost if historical cost is not available. The fair value of donated property and equipment is capitalized and reflected as donations at the date of receipt. The Foundation defines capital assets as assets with an initial, individual cost of more than \$5,000 and having a useful life greater than one year. Depreciation expense is computed on a straight-line basis over the estimated useful lives of the assets.

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:

	<u>2022</u>	<u>2021</u>
Advertising	\$ -	\$ 123
Volunteer Hours	6,000	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, 2022 and 2021

Reclassification

Certain reclassifications were made to the Fiscal Year 2021 financial statements in order to conform to the Fiscal Year 2022 financial statement presentation.

Accounting Standards Update 2018-02

In February 2016, the FASB issued Accounting Standard Update (ASU) 2018-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. This standard was required to be implemented for fiscal years beginning after December 15, 2021. The most significant change in the new leasing guidance is the requirement to recognize right-to-use assets and lease liabilities for operating leases on the statement of financial position. The Foundation adopted the provisions of this standard in fiscal year 2022. This standard does not have a material effect of the financial statements of the Foundation.

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, 2022 the Foundation has \$4,923,055 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$4,567,603, investments of \$8,945,943, and accounts receivable of \$45,926 reduced by liabilities of \$6,176,020, and reduced by amounts restricted for specific purposes of \$2,460,397.

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

Investments are pooled and managed by four management groups (Dodge & Cox, Capital Group, Raymond James , and TD Ameritrade). Income earned on all pooled investments is allocated to the specific fund based on average daily balances. 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:

	2022	% of Total	2021	% of Total
Mutual Funds	\$ 8,493,263	95%	\$ 7,554,568	98%
Fixed Income	411,665	5%	121,666	2%
Equities	41,015	0%	-	0%
	<u>\$ 8,945,943</u>	<u>100%</u>	<u>\$ 7,676,234</u>	<u>100%</u>

Fair Value Measurements

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, 2022 and 2021

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 Foundation's investments are valued based on Level 1 inputs.

NOTE 4 INVESTMENT INCOME

Interest and dividend income of \$368,233 and \$249,346 was recognized on marketable securities during 2022 and 2021, respectively. Investment fees of \$178,605 and \$218,539 were incurred during 2022 and 2021, 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:

	2022	2021
Deposits at Beginning of Year	\$ 2,253,612	\$ 1,827,786
Deposits During the Year	329,132	93,261
Withdrawals During the Year	(30,100)	(56,207)
Interest and Dividends and Realized/Unrealized Investment Gains/Losses	(184,535)	388,772
	<u>\$ 2,368,109</u>	<u>\$ 2,253,612</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 6 PROPERTY AND EQUIPMENT

	<u>2022</u>	<u>2021</u>
Buildings and Building Improvements	\$ 656,950	\$ 37,158
Vehicles	23,674	-
Equipment & Furnishings	<u>27,518</u>	<u>-</u>
	708,142	37,158
Accumulated Depreciation	<u>(15,909)</u>	<u>-</u>
	<u><u>\$ 692,233</u></u>	<u><u>\$ 37,158</u></u>

NOTE 7 LONG-TERM DEBT

The Community Foundation Serving Southwest Colorado entered into a mortgage payable with 1st Southwest Bank for the purchase of their building on January 5, 2022 for \$560,000. The Foundation financed \$390,000 with a fixed interest rate of 3.875% with monthly payments of \$2,349 and a maturity date of January 5, 2042. This loan is collateralized by the building. The carrying amount of the building was \$629,792 and \$10,000 for 2022 and 2021, respectively.

Aggregate annual maturities of long-term debt at December 31, 2022:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 13,582	\$ 14,607	\$ 28,189
2024	14,085	14,104	28,189
2025	14,689	13,500	28,189
2026	15,277	12,912	28,189
2027	15,887	12,301	28,188
Thereafter	<u>304,466</u>	<u>92,526</u>	<u>396,992</u>
	<u><u>\$ 377,986</u></u>	<u><u>\$ 159,950</u></u>	<u><u>\$ 537,936</u></u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are summarized below:

	2022	2021
Designated and Fiscal Sponsorships		
Community Emergency Relief	\$ 259,971	\$ 250,586
Café au Play	7,901	26,524
Pine River Shares	291,025	228,756
Cancer Coalition of Southwest Colorado	40,260	45,512
Bear Smart	76,373	11,836
Daybreak Solar	11,157	11,065
Durango Derailers	178,564	5,171
Archuleta County Fund	51,685	51,685
All Forward Adventures	-	1,145
Community Treehouse	14,837	13,350
La Plata County	74,293	51,854
Impact Investing	23,140	25,376
Early Childhood Council	13,876	-
Other Fiscal Sponsorships	5,368	2,823
Scholarship Funds		
MOLAS Scholarship	1,088,490	-
La Plata Rotary	307,905	336,195
Durango Area Realtors	15,552	13,124
Total	<u>\$ 2,460,397</u>	<u>\$ 1,075,002</u>

NOTE 9 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, 2022 and 2021 is 3% of eligible employees' wages, and during the year ended December 31, 2022 and 2021, the contribution expense was \$5,826 and \$5,149, respectively.

NOTE 10 SUBSEQUENT EVENTS

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 May 31, 2023, 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, 2022

	2022				
	Without Donor Restrictions				
	General Fund	Donor Advised Fund	Designated Fund	Field of Interest	Total
REVENUES, GAINS, AND OTHER SUPPORT					
Gifts, Grants, and Contributions	\$ 561,620	\$ 196,861	\$ 50,000	\$ 8,800	\$ 817,281
Events Income	70,886	-	-	-	70,886
Investment Income (Loss)					
Interest and Dividends	20,760	215,553	3,894	10,055	250,262
Realized and Unrealized Gain (Loss)	(38,926)	(551,621)	(10,107)	(19,677)	(620,331)
In-Kind Donations	7,500	-	-	-	7,500
Administration Income	225,607	(727)	-	-	224,880
Rental Income	15,292	-	-	-	15,292
Other Income	-	-	-	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	862,739	(139,934)	43,787	(822)	765,770
EXPENSES					
Grants	326,045	1,058,673	36,875	10,000	1,431,593
Program Funding	1,856	-	-	-	1,856
Other	578,007	65,166	1,534	2,611	647,318
TOTAL EXPENSES	905,908	1,123,839	38,409	12,611	2,080,767
Change in Net Assets	(43,169)	(1,263,773)	5,378	(13,433)	(1,314,997)
NET ASSETS AT BEGINNING OF YEAR	1,429,776	5,379,087	55,734	165,000	7,029,597
NET ASSETS AT END OF YEAR	<u>\$ 1,386,607</u>	<u>\$ 4,115,314</u>	<u>\$ 61,112</u>	<u>\$ 151,567</u>	<u>\$ 5,714,600</u>

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	\$ 1,029,996	\$ 3,665,148	\$ 34,006	\$ 165,000	\$ 4,894,150
Events Income	31,255	-	-	-	31,255
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	80,115	2,997,193	10,738	-	3,088,046
Program Funding	610	-	-	-	610
Other	368,896	136,364	685	-	505,945
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
WITH DONOR RESTRICTIONS AND AGENCY FUNDS
For the Year Ended December 31, 2022

	2022					
	With Donor Restrictions					Organization
	Designated	Scholarship	Fiscal	Field	Total	Agency
	Fund	Fund	Sponsorship	of Interest	Restricted	Fund
			Fund	Fund		
REVENUES, GAINS, AND OTHER SUPPORT						
Gifts, Grants, and Contributions	\$ -	\$ 1,100,753	\$ 776,562	\$ 239,298	\$ 2,116,613	\$ 329,132
Events Income	-	-	18,686	-	18,686	-
Investment Income (Loss)						
Interest and Dividends	-	89,468	231	28,272	117,971	168,482
Realized and Unrealized Gain (Loss)	-	(79,388)	-	(43,276)	(122,664)	(353,016)
In-Kind Donations	-	-	282	-	282	-
Administration Income	-	-	6,999	100	7,099	-
Other Income	-	-	166	-	166	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	-	1,110,833	802,926	224,394	2,138,153	144,598
EXPENSES						
Grants	-	-	-	104,397	104,397	2,945
Program Funding	-	-	446,200	13,116	459,316	1,923
Scholarships	-	56,750	-	-	56,750	-
Administrative	-	16,990	53,813	52,485	123,288	25,164
Other	-	(898)	7,280	2,625	9,007	69
TOTAL EXPENSES	-	72,842	507,293	172,623	752,758	30,101
Change in Net Assets	<u>\$ -</u>	<u>\$ 1,037,991</u>	<u>\$ 295,633</u>	<u>\$ 51,771</u>	1,385,395	114,497
NET ASSETS AT BEGINNING OF YEAR					<u>1,075,002</u>	<u>2,253,612</u>
NET ASSETS AT END OF YEAR					<u>\$ 2,460,397</u>	<u>\$ 2,368,109</u>

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
	Designated	Scholarship	Fiscal	Field	Total	Agency
	Fund	Fund	Sponsorship	of Interest	Restricted	Fund
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	-	18,729	695,801	732,030	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	-	-	40,292	7,805	48,097	-
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

SCHEDULE OF GENERAL FUND CHANGE IN NET ASSETS

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
GENERAL FUND REVENUES, GAINS, AND OTHER SUPPORT		
Gifts, Grants, and Contributions	\$ 561,620	\$ 1,029,996
Events Income	70,886	31,255
Investment Income (Loss)		
Interest and Dividends	20,760	26,575
Realized and Unrealized Gains (Losses)	(38,926)	17,419
In-Kind Donations	7,500	123
Administration Income	225,607	278,361
Rental Income	15,292	-
	<hr/>	<hr/>
TOTAL GENERAL FUND REVENUES, GAINS, AND OTHER SUPPORT	862,739	1,383,729
 GENERAL FUND ADMINISTRATIVE EXPENSES		
Payroll and Related Expenses	372,156	262,271
Advertising	17,810	3,812
Accounting and Audit	14,250	12,155
Rent	3,750	9,000
Grants Management	-	2,480
Contract Services	-	2,668
Insurance	5,420	4,322
Supplies	7,460	2,794
Fundraising	39,828	-
Postage	1,791	1,778
Telephone	4,410	2,373
Dues and Subscriptions	2,878	2,884
Software	-	7,500
Website Expenses	15,209	4,596
Program Funding	48,419	40,431
Office Building Costs	41,452	3,500
Other	5,030	6,819
	<hr/>	<hr/>
TOTAL GENERAL FUND ADMINISTRATIVE EXPENSES	579,863	369,383
 GENERAL FUND GRANT EXPENSES	<hr/>	<hr/>
	326,045	80,238
 TOTAL GENERAL FUND EXPENSES	<hr/>	<hr/>
	905,908	449,621
 GENERAL FUND CHANGE IN NET ASSETS	<hr/> <hr/>	<hr/> <hr/>
	\$ (43,169)	\$ 934,108