

**COMMUNITY FOUNDATION
SERVING SOUTHWEST COLORADO**

FINANCIAL STATEMENTS

December 31, 2019 and 2018



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
TABLE OF CONTENTS
December 31, 2019 and 2018

	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

We have audited the accompanying financial statements of Community Foundation Serving Southwest Colorado (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation Serving Southwest Colorado as of December 31, 2019, 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.

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

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.

Other Matter

The financial statements of the Community Foundation Serving Southwest Colorado as of December 31, 2018, were audited by other auditors whose reports dated June 6, 2019 expressed an unmodified opinion on those statements.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

April 23, 2020

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 539,878	\$ 603,824
Investments	5,968,252	4,504,560
Other	1,069	2,254
TOTAL ASSETS	\$ 6,509,199	\$ 5,110,638
LIABILITIES AND NET ASSETS		
LIABILITIES		
Agency Funds	\$ 1,611,688	\$ 1,092,393
Other	-	57
TOTAL LIABILITIES	1,611,688	1,092,450
NET ASSETS		
Net Assets		
Without Donor Restrictions:		
Donor Advised	3,646,720	2,836,613
Designated	33,129	35,954
Discretionary	354,950	343,262
With Donor Restrictions:		
Purpose Restricted	862,712	802,359
TOTAL NET ASSETS	4,897,511	4,018,188
TOTAL LIABILITIES AND NET ASSETS	\$ 6,509,199	\$ 5,110,638

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

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Gifts, Grants, and Contributions	\$ 1,489,748	\$ 402,605	\$ 1,892,353
Events income, net of expense of \$81,491 (2019) and \$67,803 (2018)	53,267	-	53,267
Investment Income (Loss)			
Interest and Dividends	354,104	38,099	392,203
Realized and Unrealized Gains (Losses)	355,872	35,849	391,721
In-Kind Donations	12,617	-	12,617
Administration Income	157,632	-	157,632
Other Income	-	-	-
Net Assets Released From Restriction	416,200	(416,200)	-
Total from Revenues, Gains, and Other Support	2,839,440	60,353	2,899,793
EXPENSES AND LOSSES			
Program Services			
Grants	1,279,606	-	1,279,606
Program Funding	337,855	-	337,855
Scholarships	4,000	-	4,000
Other Program Expenses	150,262	-	150,262
Total Program Services	1,771,723	-	1,771,723
Supporting Services			
Management and General	193,669	-	193,669
Fundraising	55,077	-	55,077
Total Expenses and Losses	2,020,470	-	2,020,470
Change in Net Assets	818,970	60,353	879,323
NET ASSETS, BEGINNING OF YEAR	3,215,829	802,359	4,018,188
NET ASSETS AT END OF YEAR	\$ 4,034,799	\$ 862,712	\$ 4,897,511

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, 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Gifts, Grants, and Contributions	\$ 1,717,874	\$ 945,219	\$ 2,663,093
Events income, net of expense of \$67,803 (2018)	80,502	-	80,502
Investment Income (Loss)			
Interest and Dividends	257,358	18,275	275,633
Realized and Unrealized Gains (Losses)	(467,164)	(41,911)	(509,075)
In-Kind Donations	13,746	-	13,746
Administration Income	160,729	-	160,729
Other Income	-	20,355	20,355
Net Assets Released From Restriction	795,308	(795,308)	-
Total from Revenues, Gains, and Other Support	2,558,353	146,630	2,704,983
EXPENSES AND LOSSES			
Program Services			
Grants	1,595,149	-	1,595,149
Program Funding	460,815	-	460,815
Scholarships	3,000	-	3,000
Other Program Expenses	93,633	-	93,633
Total Program Services	2,152,597	-	2,152,597
Supporting Services			
Management and General	218,137	-	218,137
Fundraising	43,439	-	43,439
Total Expenses and Losses	2,414,173	-	2,414,173
Change in Net Assets	144,180	146,630	290,810
NET ASSETS, BEGINNING OF YEAR	3,071,649	655,729	3,727,378
NET ASSETS AT END OF YEAR	\$ 3,215,829	\$ 802,359	\$ 4,018,188

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, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 879,323	\$ 290,810
Adjustments to reconcile change in net assets to		
Net cash provided (used) by operating activities:		
Realized/Unrealized (Gain) Loss on Investements	(504,213)	509,075
(Increase) decrease in:		
Other Assets	1,185	(1,541)
(Decrease) increase in:		
Other Liabilities	(57)	57
	<u>376,238</u>	<u>798,401</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>376,238</u>	<u>798,401</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of investments	357,343	501,340
Purchase of investments	(1,316,821)	(1,220,627)
	<u>(959,479)</u>	<u>(719,287)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(959,479)</u>	<u>(719,287)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in investments managed for others	519,295	(207,229)
	<u>519,295</u>	<u>(207,229)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>519,295</u>	<u>(207,229)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(63,946)	(128,115)
CASH, AT BEGINNING OF YEAR	<u>603,824</u>	<u>731,939</u>
CASH, AT END OF YEAR	<u>\$ 539,878</u>	<u>\$ 603,824</u>
NON-CASH INVESTING ACTIVITIES		
Interest and Dividends Reinvested	<u>\$ 520,904</u>	<u>\$ 275,633</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 June 30, 2019

	2019			Total
	Program Services	Management and General	Fundraising	
Grants Made to Nonprofits and Other				
Program Recipients	\$ 1,239,614	\$ -	\$ -	\$ 1,239,614
Fiscal Sponsorship Program Funding	337,855	-	-	337,855
Scholarships	4,000	-	-	4,000
Administrative Grants and				
Management Fees	-	107,505	-	107,505
General Fund				
Salaries and Benefits	76,647	56,652	33,325	166,624
Grants Made to Nonprofits and				
Other Program Recipients	39,992	-	-	39,992
Advertising and Marketing	15,584	1,751	1,030	18,365
In-Kind Expenses	5,804	4,290	2,523	12,617
Payroll Taxes	5,396	3,989	2,346	11,731
Audit	4,140	3,060	1,800	9,000
Rent	3,919	2,897	1,704	8,520
Program Funding	278	205	121	604
Equipment Repairs	1,163	860	506	2,528
Contract Services	5,419	4,006	2,356	11,781
Fundraising Expense	-	-	4,392	4,392
Travel and Meetings	20,472	-	-	20,472
Other	11,440	8,456	4,974	24,870
	<u>\$ 1,771,723</u>	<u>\$ 193,669</u>	<u>\$ 55,077</u>	<u>\$ 2,020,470</u>
Total Expenses	<u>\$ 1,771,723</u>	<u>\$ 193,669</u>	<u>\$ 55,077</u>	<u>\$ 2,020,470</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 June 30, 2018

	2018			
	Program Services	Management and General	Fundraising	Total
Grants Made to Nonprofits and Other				
Program Recipients	\$ 1,516,186	\$ -	\$ -	\$ 1,516,186
Fiscal Sponsorship Program Funding	454,815	-	-	454,815
Scholarships	3,000	-	-	3,000
Administrative Grants and				
Management Fees	-	116,082	-	116,082
General Fund				
Salaries and Benefits	56,919	59,765	25,614	142,298
Grants Made to Nonprofits and				
Other Program Recipients	78,963	-	-	78,963
Advertising and Marketing	6,862	7,205	3,088	17,154
In-Kind Expenses	5,498	5,773	2,474	13,746
Payroll Taxes	4,354	4,572	1,959	10,886
Audit	3,700	3,885	1,665	9,250
Rent	3,144	3,301	1,415	7,860
Program Funding	6,000	-	-	6,000
Equipment Repairs	2,004	2,105	902	5,011
Contract Services	4,500	-	-	4,500
Fundraising Expense	-	-	2,300	2,300
Travel and Meetings	-	-	-	-
Other	6,651	15,449	4,022	26,122
	<u>6,651</u>	<u>15,449</u>	<u>4,022</u>	<u>26,122</u>
Total Expenses	<u>\$ 2,152,597</u>	<u>\$ 218,137</u>	<u>\$ 43,439</u>	<u>\$ 2,414,173</u>

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

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019 and 2018

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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. 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 Organization 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 Organization 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 Organization 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, 2019 and 2018

Based on the results of management’s evaluation, these requirements did not have a material effect on the Organization’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 Organization 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 \$123,594 and \$137,514 for the year ended December 31, 2019 and 2018, 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:

	2019	2018
Venue Usage	\$ 8,000	\$ 8,000
Luncheon and Events	4,000	4,000
Accounting Services	272	1,401
Advertising	345	345
	\$ 12,617	\$ 13,746

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 are allocated on the basis of time dedicated to various categories.

Reclassification

Certain reclassifications were made to the Fiscal Year 2018 financial statements in order to conform to the Fiscal Year 2019 financial statement presentation.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019 and 2018

Accounting Standards Update 2018-08

During fiscal year 2019, the Organization adopted the provisions of FASB Accounting Standards Update 2018-08, Not-For-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update clarifies and improves the scope and accounting guidance for contributions received and contributions made and will assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchanges (reciprocal) transactions and (2) determining whether a contribution is conditional.

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, 2019 the Foundation has \$4,034,799 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$539,878, investments of \$5,968,252, and other of \$1,069 reduced by agency funds held for others of \$1,611,688, and reduced by amounts restricted for specific purposes of \$862,712.

At December 31, 2018 the Foundation has \$3,215,886 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$603,824, investments of \$4,504,560, and other of \$2,254 reduced by agency funds held for other of \$1,092,393, and reduced by amounts restricted for specific purposes of \$802,359.

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>2019</u>	<u>2018</u>
Dodge and Cox Stock Fund	\$ 3,545,486	\$ 2,877,817
Dodge and Cox Balanced Fund	1,953,194	1,193,936
Dodge and Cox Income Fund	258,532	210,375
Dodge and Cox International Stock Fund	71,772	70,536
The Income Fund of America	12,062	29,780
Corporate Notes Maturing in 2020 through 2022	127,206	119,693
Other	-	2,423
	<u>\$ 5,968,252</u>	<u>\$ 4,504,560</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 4 INVESTMENT INCOME

Interest and dividend income of \$392,203 and \$275,633 was recognized on marketable securities during 2019 and 2018, respectively. Investment fees of \$123,363 and \$105,597 were incurred during 2019 and 2018, 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>2019</u>	<u>2018</u>
Deposits at Beginning of Year	\$ 1,092,393	\$ 1,363,147
Deposits During the Year	352,322	40,021
Withdrawals During the Year	(81,427)	(247,250)
Interest and Dividends and Realized/Unrealized Investment Gains/Losses	248,400	(63,525)
	<u>\$ 1,611,688</u>	<u>\$ 1,092,393</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, 2019 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets		
Cash and cash equivalents	\$ 539,878	\$ 539,878
Investment Securities	5,968,252	5,968,252
Other	1,069	1,069
Financial Liabilities		
Agency Funds	1,611,688	1,611,688
Other	-	-

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, 2019 and 2018

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, 2019 and 2018:

December 31, 2019	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	\$ 3,545,486	\$ 3,545,486	\$ -	\$ -
Dodge and Cox Balance Fund	1,953,194	1,953,194	-	-
Dodge and Cox Income Fund	258,532	258,532	-	-
Dodge and Cox International Stock Fund	71,772	71,772	-	-
The Income Fund of America	12,062	12,062	-	-
Corporate Notes Maturing in 2020-2024	127,206	127,206	-	-
	<u>\$ 5,968,252</u>	<u>\$ 5,968,252</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2018	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	\$ 2,877,817	\$ 2,877,817	\$ -	\$ -
Dodge and Cox Balance Fund	1,193,936	1,193,936	-	-
Dodge and Cox Income Fund	210,375	210,375	-	-
Dodge and Cox International Stock Fund	70,536	70,536	-	-
The Income Fund of America	29,780	29,780	-	-
Corporate Notes Maturing in 2020-2024	119,693	119,693	-	-
Other	2,423	2,423	-	-
	<u>\$ 4,504,560</u>	<u>\$ 4,504,560</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are summarized below:

	<u>2019</u>	<u>2018</u>
Designated and Fiscal Sponsorships		
Community Emergency Relief	\$ 184,040	\$ 190,448
Café au Play	136,660	105,117
Pine River Shares	74,769	104,076
Cancer Coalition of Southwest Colorado	46,084	45,161
Bear Smart	6,397	24,624
Daybreak Solar	20,437	19,962
Archuleta County Fund	13,211	9,925
Creative District	-	4,840
New Face Productions	10,207	4,732
Philanthropy Days	-	3,019
CHAC	280	2,978
A Mile in My Shoes	-	2,284
All Forward Adventures	6,653	-
Community Treehouse	5,339	-
La Plata County	33,671	-
Impact Investing	10,427	-
Other Fiscal Sponsorships	3,478	3,691
Scholarship Funds		
La Plata Rotary	301,119	271,978
Durango Area Realtors	9,940	9,523
Total	<u>\$ 862,712</u>	<u>\$ 802,358</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, 2019 is 3% of eligible employees' wages, and during the year ended December 31, 2019, the contribution expense was \$4,472.

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 23, 2020, the date of the financial statements were available to be issued.

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 Organization 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.

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
WITHOUT DONOR RESTRICTIONS
For the Year Ended December 31, 2019

	2019			
	Without Donor Restrictions			
	General Fund	Donor Advised Fund	Designated Fund	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Gifts, Grants, and Contributions	\$ 122,065	\$ 1,363,618	\$ 4,065	\$ 1,489,748
Events Income	53,267	-	-	53,267
Investment Income (Loss)				
Interest and Dividends	18,523	334,158	1,423	354,104
Realized and Unrealized Gain (Loss)	16,141	337,626	2,105	355,872
In-Kind Donations	12,617	-	-	12,617
Administration Income	157,632	-	-	157,632
Other Income	-	-	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	380,245	2,035,402	7,593	2,423,240
EXPENSES				
Grants	76,924	1,153,631	9,551	1,240,106
Program Funding	-	-	-	-
Other	291,632	71,667	865	364,164
TOTAL EXPENSES	368,556	1,225,298	10,416	1,604,270
Change in Net Assets	11,689	810,104	(2,823)	818,970
NET ASSETS AT BEGINNING OF YEAR	343,261	2,836,616	35,952	3,215,829
NET ASSETS AT END OF YEAR	\$ 354,950	\$ 3,646,720	\$ 33,129	\$ 4,034,799

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
WITHOUT DONOR RESTRICTIONS
For the Year Ended December 31, 2018

	2018			
	Without Donor Restrictions			
	General Fund	Donor Advised Fund	Designated Fund	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Gifts, Grants, and Contributions	\$ 93,757	\$ 1,622,047	\$ 2,070	\$ 1,717,874
Events Income	80,502	-	-	80,502
Investment Income (Loss)				
Interest and Dividends	15,777	240,089	1,492	257,358
Realized and Unrealized Gain (Loss)	(23,597)	(441,727)	(1,840)	(467,164)
In-Kind Donations	13,746	-	-	13,746
Administration Income	160,729	-	-	160,729
Other Income	-	-	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	340,914	1,420,409	1,722	1,763,045
EXPENSES				
Grants	78,963	1,232,791	1,661	1,313,415
Program Funding	-	-	-	-
Other	245,127	59,500	823	305,450
TOTAL EXPENSES	324,090	1,292,291	2,484	1,618,865
Change in Net Assets	16,824	128,118	(762)	144,180
NET ASSETS AT BEGINNING OF YEAR	326,437	2,708,498	36,714	3,071,649
NET ASSETS AT END OF YEAR	<u>\$ 343,261</u>	<u>\$ 2,836,616</u>	<u>\$ 35,952</u>	<u>\$ 3,215,829</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
WITH DONOR RESTRICTIONS AND AGENCY FUNDS
For the Year Ended December 31, 2019

	2019					
	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	\$ 3,743	\$ 3,000	\$ 353,343	\$ 42,519	\$ 402,605	\$ 352,322
Events Income	-	-	-	-	-	-
Investment Income (Loss)						
Interest and Dividends	32,049	873	810	4,367	38,099	132,430
Realized and Unrealized Gain (Loss)	33,749	747	-	1,353	35,849	115,970
In-Kind Donations	-	-	-	-	-	-
Administration Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	69,541	4,620	354,153	48,239	476,553	600,722
EXPENSES						
Grants	39,500	-	-	-	39,500	64,806
Program Funding	-	-	337,855	-	337,855	-
Scholarships	-	4,000	-	-	4,000	-
Administrative	7,311	202	26,477	855	34,845	16,621
TOTAL EXPENSES	46,811	4,202	364,332	855	416,200	81,427
Change in Net Assets	<u>\$ 22,730</u>	<u>\$ 418</u>	<u>\$ (10,179)</u>	<u>\$ 47,384</u>	60,353	519,295
NET ASSETS AT BEGINNING OF YEAR					802,359	1,092,393
NET ASSETS AT END OF YEAR					<u>\$ 862,712</u>	<u>\$ 1,611,688</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
WITH DONOR RESTRICTIONS AND AGENCY FUNDS
For the Year Ended December 31, 2018

	2018					
	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	\$ 515,859	\$ 5,000	\$ 413,934	\$ 10,426	\$ 945,219	\$ 40,021
Events Income	-	-	-	-	-	-
Investment Income (Loss)						
Interest and Dividends	16,750	590	215	720	18,275	92,385
Realized and Unrealized Gain (Loss)	(39,735)	(1,108)	-	(1,068)	(41,911)	(155,909)
In-Kind Donations	-	-	-	-	-	-
Administration Income	-	-	-	-	-	-
Other Income	-	-	20,355	-	20,355	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	492,874	4,482	434,504	10,078	941,938	(23,503)
EXPENSES						
Grants	281,734	-	-	-	281,734	-
Program Funding	-	-	454,815	-	454,815	233,254
Scholarships	-	3,000	-	-	3,000	-
Administrative	25,020	200	30,386	153	55,759	13,997
TOTAL EXPENSES	306,754	3,200	485,201	153	795,308	247,251
Change in Net Assets	<u>\$ 186,120</u>	<u>\$ 1,282</u>	<u>\$ (50,697)</u>	<u>\$ 9,925</u>	146,630	(270,754)
NET ASSETS AT BEGINNING OF YEAR					655,729	1,363,147
NET ASSETS AT END OF YEAR					<u>\$ 802,359</u>	<u>\$ 1,092,393</u>

COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO
SCHEDULE OF GENERAL FUND CHANGE IN NET ASSETS
December 31, 2019 and 2018

	2019	2018
GENERAL FUND REVENUS, GAINS, AND OTHER SUPPORT		
Gifts, Grants, and Contributions	\$ 122,065	\$ 93,757
Events Income	53,267	80,502
Investment Income (Loss)		
Interest and Dividends	18,523	15,777
Realized and Unrealized Gains (Losses)	16,141	(23,597)
In-Kind Donations	12,617	13,746
Administration Income	157,632	160,729
	380,245	340,914
TOTAL GENERAL FUND REVENUS, GAINS, AND OTHER SUPPORT		
 GENERAL FUND ADMINISTRATIVE EXPENSES		
Payroll and Related Expenses	179,178	153,947
Advertising	5,152	17,154
Donated Services	12,617	13,746
Accounting and Audit	10,375	10,625
Rent	8,520	7,860
Grants Management	5,408	4,729
Contract Services	11,781	4,500
Insurance	4,404	4,024
Supplies	2,305	2,333
Fundraising	4,392	2,300
Postage	1,406	1,732
Telephone	1,478	1,494
Dues and Subscriptions	1,400	1,445
Website Expenses	2,871	783
Program Funding	32,684	6,000
Other	7,661	12,455
	291,632	245,127
TOTAL GENERAL FUND ADMINISTRATIVE EXPENSES		
 GENERAL FUND GRANT EXPENSES	76,924	78,963
TOTAL GENERAL FUND EXPENSES	368,556	324,090
 GENERAL FUND CHANGE IN NET ASSETS	\$ 11,689	\$ 16,824