The Longmont Community Foundation

(a nonprofit Colorado corporation)

Longmont, Colorado

Financial Statements

December 31, 2019 and 2018

The Longmont Community Foundation

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BROCK AND COMPANY
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agn INTERNATIONAL

Independent Auditor's Report

To the Board of Trustees
The Longmont Community Foundation
Longmont, Colorado

We have audited the accompanying financial statements of The Longmont Community Foundation (a nonprofit Colorado corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Organization's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditor's 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.

BOULDER FORT COLLINS LITTLETON LONGMONT NORTHGLENN

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Longmont Community Foundation as of December 31, 2019 and 2018, 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.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Longmont, Colorado
August 6, 2020

The Longmont Community Foundation

Statements of Financial Position

December 31	2019	2018
ASSETS		
Cash and cash equivalents	$ 241,713	$ 810,315
Investments	18,734,220	12,298,341
Prepaid expenses and other assets	9,320	2,516
Total assets	$ 18,985,253	$ 13,111,172
LIABILITIES AND NET ASSETS		
Liabilities		
Grants and scholarships payable	$ 55,000	$ 2,402
Accrued compensation and benefits	7,333	7,272
Assets held for agency funds	5,539,371	924,128
Total liabilities	5,601,704	933,802
Net Assets		
Without donor restrictions	8,125,095	8,523,349
With donor restrictions	5,258,454	3,654,021
Total net assets	13,383,549	12,177,370
Total liabilities and net assets	$ 18,985,253	$ 13,111,172

The accompanying Notes are an integral part of these financial statements

The Longmont Community Foundation

Statements of Activities and Changes in Net Assets

Years ended December 31	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions	$ 5,946,644	$ 1,187,678	$ 7,134,322
Less: agency funds contributed	4,733,859	-	4,733,859
Net contributions	1,212,785	1,187,678	2,400,463
Interest and dividends	98,012	55,094	153,106
Management fees	35,185	-	35,185
Other revenue	2,615	-	2,615
Net realized and unrealized investment gains	1,251,564	752,283	2,003,847
Net assets released from restrictions	390,622	(390,622)	-
Total revenues, gains and other support	2,990,783	1,604,433	4,595,216
Expenses and Losses			
Program services			
Grantmaking and program expenses	3,440,285	-	3,440,285
Less: agency funds grants	169,323	-	169,323
Net grantmaking and program expenses	3,270,962	-	3,270,962
Supporting services			
General and administrative	87,357	-	87,357
Fundraising expenses	30,718	-	30,718
Net realized and unrealized investment losses	-	-	-
Loss on disposal of software	-	-	-
Total expenses and losses	3,389,037	-	3,389,037
Change in Net Assets	$ (398,254)	$ 1,604,433	$ 1,206,179
Net Assets, Beginning of Year As Previously Stated	$ 8,523,349	$ 3,654,021	$ 12,177,370
Prior period reclassification	-	-	-
Net Assets, Beginning of Year As Restated	8,523,349	3,654,021	12,177,370
Change in net assets	(398,254)	1,604,433	1,206,179
Net Assets, End of Year	$ 8,125,095	$ 5,258,454	$ 13,383,549

2018		
Without Donor Restrictions	With Donor Restrictions	Total
$ 1,854,962	$ 115,284	$ 1,970,246
12,715	-	12,715
1,842,247	115,284	1,957,531
163,203	85,388	248,591
15,669	-	15,669
1,902	-	1,902
-	-	-
364,160	(364,160)	-
2,387,181	(163,488)	2,223,693
1,271,434	-	1,271,434
52,942	-	52,942
1,218,492	-	1,218,492
100,199	-	100,199
29,759	-	29,759
443,333	322,112	765,445
990	-	990
1,792,773	322,112	2,114,885
$ 594,408	$ (485,600)	$ 108,808
$ 9,752,803	$ 2,315,759	$ 12,068,562
(1,823,862)	1,823,862	-
7,928,941	4,139,621	12,068,562
594,408	(485,600)	108,808
$ 8,523,349	$ 3,654,021	$ 12,177,370

The accompanying Notes are an integral part of these financial statements

The Longmont Community Foundation

Statements of Functional Expenses

Years ended December 31	2019			
		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total Expenses
Grants	$ 2,925,715	$ -	$ -	$ 2,925,715
Scholarships	130,122	-	-	130,122
Salaries and wages	86,267	11,502	17,253	115,023
Investment fees	50,209	-	-	50,209
Rent	30,268	4,036	6,054	40,357
Miscellaneous expenses	19,384	11,307	1,614	32,305
Legal and professional	-	20,874	-	20,874
Information technology	-	20,326	-	20,326
Employee benefits	11,554	1,541	2,311	15,405
Payroll taxes	7,094	946	1,419	9,459
Advertising	4,427	2,952	-	7,379
Professional development	-	6,948	-	6,948
Dues and subscriptions	-	5,327	-	5,327
Travel	1,999	571	286	2,855
Telephone and internet	543	217	1,411	2,171
Insurance	1,439	192	288	1,919
Printing and postage	1,371	457	-	1,828
Office supplies	571	163	82	815
Amortization	-	-	-	-
Total expenses	$ 3,270,962	$ 87,357	$ 30,718	$ 3,389,037

2018

Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total Expenses
$ 1,005,581	$ -	$ -	$ 1,005,581
-	-	-	-
77,379	10,317	15,476	103,172
53,761	-	-	53,761
29,246	3,900	5,849	38,995
20,371	11,885	1,698	33,953
-	22,437	-	22,437
-	35,048	-	35,048
13,997	1,866	2,799	18,662
6,614	882	1,323	8,818
4,356	2,904	-	7,260
-	3,468	-	3,468
-	4,817	-	4,817
2,862	818	409	4,089
712	285	1,852	2,849
843	112	169	1,124
1,473	491	-	1,964
1,297	371	185	1,853
-	600	-	600
$ 1,218,492	$ 100,199	$ 29,759	$ 1,348,451

The Longmont Community Foundation

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2019	2018
Cash Flows From Operating Activities		
Change in net assets	$ 1,206,179	$ 108,808
Adjustments to reconcile change in net assets		
to net cash provided by operating activities		
Net realized and unrealized losses (gains) on investments	(2,003,847)	765,445
Amortization	-	600
Loss on disposal of software	-	990
Increase (decrease) from changes in assets and liabilities		
Prepaid expenses and other assets	(6,804)	20,358
Grants payable	52,598	(4,084)
Accrued compensation and benefits	61	(813)
Assets held for agency funds	4,615,243	(123,363)
Net cash provided by operating activities	3,863,430	767,941
Cash Flows From Investing Activities		
Net change in investments	(4,432,032)	(325,931)
Net cash used by investing activities	(4,432,032)	(325,931)
Net Increase (Decrease) in Cash and Cash Equivalents	(568,602)	442,010
Cash and Cash Equivalents, Beginning of Year	810,315	368,305
Cash and Cash Equivalents, End of Year	$ 241,713	$ 810,315

The accompanying Notes are an integral part of these financial statements

Note 1 – Summary of Significant Accounting Policies

Nature of Organization. The Longmont Community Foundation (the "Foundation") was established in 1988 to improve life in the St. Vrain Valley through philanthropy and charitable leadership. The Foundation receives gifts from individuals, foundations, and organizations and places them into individual funds that match the giving priorities of the donors.

The Foundation operated as an unincorporated affiliate of the Community Foundation of Northern Colorado until 2002, and thereafter, as an unincorporated affiliate of The Denver Foundation. In October 2013, the Foundation became a nonprofit corporation, and on August 31, 2014 separated from The Denver Foundation and commenced independent operations.

Basis of Presentation. The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when grants are approved and materials or services are received.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Asset Classification. The Foundation distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. The Foundation complies with established standards for external reporting by not-for-profit organizations, which requires that resources be classified for reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The two net asset categories are as follows:

> *Net Assets Without Donor Restrictions*. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the Board of Trustees.
>
> *Net Assets With Donor Restrictions.* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Interpretation of Relevant Law. The Board of Trustees has determined that a portion of the Foundation's net assets meet the definition of endowment funds under the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), adopted by the State of Colorado in 2008. The Foundation is governed subject to the Articles of Incorporation and Bylaws for the Foundation and most contributions are received subject to the terms of the governing documents.

Note 1 – Summary of Significant Accounting Policies (continued)

Under the terms of the Articles of Incorporation and Bylaws the Board of Trustees have a variance power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations if, in the sole judgment, of the Board such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served. In addition, pursuant to the terms of endowment fund agreements, the Foundation retains ultimate authority and control over the investment, expenditure, distribution and grants of principal and income from endowment funds. It is the expressed intention of the Foundation to honor the designations of donors; however, the Foundation reserves the right to exercise final control over such funds.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the endowment fund, (2) the purposes of the institution and the endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

As a result of the ability to distribute principal, the Board of Trustees has determined that all contributions received subject to the Articles of Incorporation, Bylaws, terms of endowment fund agreements, and subject to UPMIFA, are classified as temporarily restricted until appropriated, at which time the appropriation is reclassified to unrestricted net assets. Contributions that are subject to other gift instruments may be recorded as permanently restricted, temporarily restricted or unrestricted, depending on the specific terms of the agreement. In addition, contributions that are promised to be given in a future period are presented as temporarily restricted until the payments are due.

Endowment Investment and Spending Policies. The Foundation has adopted investment and spending policies to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. The investment policy attempts to establish an achievable return objective through diversification of asset classes.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for grantmaking and administration. The current spending policy is to distribute an amount equal to 5% of the fund's total market value based on a three year rolling average. Accordingly, over the long term, the Foundation expects current spending policy to allow its endowment assets to grow annually.

Note 1 – Summary of Significant Accounting Policies (continued)

This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

Cash and Cash Equivalents. For purpose of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments. The Foundation's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Investment Committee determines the Foundation's valuation policies utilizing information provided by the investment advisors and custodians.

The Foundation maintains investment pool accounts for its funds. Realized and unrealized gains and losses from securities in the investment pool account are allocated monthly to the individual funds based on the relationship of the market value of each fund to the total market value of the investment pool account, as adjusted for additions to or deductions from the account.

Fair Value Measurements. The Foundation reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:
- 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 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Note 1 – Summary of Significant Accounting Policies (continued)

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Mutual Funds and Money Market Funds. Valued at the quoted prices in active markets for identical assets held by the Foundation at year end.

Certificates of Deposits. Valued at face value, which approximates the fair value.

Debt and Equity Securities. The Foundation values securities with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

Hedge Funds. Valued at NAV, without adjustment, of the units held by the Foundation at year-end. equal to the sum of the Fund's proportionate interests in the investment funds, as determined from financial information provided by the respective administrators or investment managers of the investment funds. These fair values represent the amounts the Fund would receive if it were able to liquidate its investments in the investment funds as of the measurement date, prior to any early withdrawal charges, if applicable. Some values received are estimates, subject to subsequent revision by the respective administrators or investment managers. Values received are generally net of management fees and incentive fees or allocations payable to the investment funds' investment managers pursuant to the investment funds' operating agreements. The investment funds value their underlying investments in accordance with policies established by each investment fund, as described in each of their financial statements or offering memoranda. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Private Portfolio. Valued at NAV, without adjustment, based on calculate the net asset value of each class of units as of the close of business on the last business day of each calendar month, each date that a unit is offered or repurchased, as of the date of any distribution and at such other times as the Board shall determine (each, a "Determination Date"). In determining its net asset value, the Fund values its investments as of the relevant Determination Date. The net asset value of the Fund will equal, unless otherwise noted, the value of the total assets of the Fund (including the net asset value of each class of Units), less all of its liabilities, including accrued fees and expenses, each determined as of the relevant Determination Date.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 1 – Summary of Significant Accounting Policies (continued)

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Software. Software is recorded at cost for purchased assets. Amortization is computed using the straight-line method over the estimated useful life of the assets which is three years for software. Amortization expense totaled $600 for the year ended December 31, 2018.

Assets Held for Agency Funds. A fund established with a contribution from an organization for the benefit of the contributing organization is classified as an agency fund. The activity in agency funds is reported as a change in the liability "Assets Held for Agency Funds".

Contributions. Contributions, including unconditional promises to give (pledges), are recorded as received.

In-kind Contributions. Donated goods and equipment are recorded at estimated fair values as revenue and expense, or capitalized assets, depending on the nature of the donation. In-kind contributions are used to support the mission of the Foundation.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Advertising. The Foundation expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2019 and 2018 were $7,379 and $7,260, respectively.

Income Taxes. The Foundation is a not-for-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been found not to be a private foundation under Internal Revenue Code.

For uncertain tax positions, the Foundation uses a more-likely-than-not recognition criteria before and separate from the measurement of a tax position. The Foundation recognizes the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. With respect to the Foundation, this would primarily relate to the determination of unrelated business taxable income, and to the maintenance of its tax exempt status.

Note 1 – Summary of Significant Accounting Policies (continued)

Management has evaluated the policies and procedures that have been implemented to provide assurance that income is properly characterized and activities that jeopardize its tax exempt status are within limits established under existing tax code and regulations. Management has determined the effects of uncertain tax positions are not material to the Foundation for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial statements.

All income tax years are open for examination. The 2016 tax year was the initial tax year for the Foundation. Additionally, penalties and interest may be assessed on income taxes that are delinquent.

Subsequent Events. Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through August 6, 2020, which is the date the financial statements were available to be issued.

Note 2 - Availability and Liquidity

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Foundation has the following financial assets, primarily consisting of cash and cash equivalents and accounts receivables, available to meet the cash requirements for general expenditures within one year of the statement of financial position dates as of December 31:

	2019	2018
Financial assets, end of year		
Cash and cash equivalents	**$ 241,713**	$ 810,315
Investments	**18,734,220**	12,298,341
Total financial assets	**18,975,933**	13,108,656
Less donor restricted endowment funds not available to be used within one year	**(5,258,454)**	(3,654,021)
Less assets held for agency funds	**(5,539,371)**	(924,128)
Financial assets available to meet cash requirements for general expenditures within one year	**$ 8,178,108**	$ 8,530,507

Note 3 - Investments and Fair Value Measurements

The Organization's fair value hierarchy for those investment assets measured at fair value on a recurring basis is as follows at December 31, 2019:

	Level 1	**Level 2**	**Total**
Debt and equity securities			
US large blend equities	**$ 6,332,766**	**$ -**	**$ 6,332,766**
US large value	**1,184,781**	**-**	**1,184,781**
US small value	**1,476,247**	**-**	**1,476,247**
International equities	**3,117,617**	**-**	**3,117,617**
Nontraditional bonds	**593,363**	**-**	**593,363**
Intermediate term bonds	**2,059,018**	**-**	**2,059,018**
Floating rate funds	**754,683**	**-**	**754,683**
Multi-strategy funds	**752,832**	**-**	**752,832**
Total debt and equity securities	**16,271,307**	**-**	**16,271,307**
Money market funds	**227,859**	**-**	**227,859**
Certificates of deposit	**-**	**20,129**	**20,129**
	$ 16,499,166	**$ 20,129**	**16,519,295**
Investments measured at net asset value			**2,214,925**
Total investments at fair value			**$ 18,734,220**

The Organization's fair value hierarchy for those investment assets measured at fair value on a recurring basis is as follows at December 31, 2018:

	Level 1	Level 2	Total
Debt and equity securities			
US large cap equities	$ 3,955,812	$ -	$ 3,955,812
US mid cap equities	1,297,118	-	1,297,118
International equities	983,528	-	983,528
High yield bonds	313,616	-	313,616
Intermediate term bonds	778,759	-	778,759
Short-term bonds	1,111,177	-	1,111,177
World bonds	436,230	-	436,230
US treasury bonds	281,653	-	281,653
Inflation protected securities	89,960	-	89,960
Real estate investment trusts	133,294	-	133,294
Total debt and equity securities	9,381,147	-	9,381,147
Mutual funds	844,182	-	844,182
Money market funds	759,131	-	759,131
Certificates of deposit	-	1,313,881	1,313,881
	$ 10,984,460	$ 1,313,881	$ 12,298,341

The Foundation has been designated as a beneficiary in a charitable trust held by a bank. The beneficial interest in trusteed assets are not included above in total investments.

Note 3 - Investments and Fair Value Measurements (continued)

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2019 and 2018, there were no significant transfers in or out of hierarchy levels.

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments measured at fair value based on NAV per unit/share as of December 31, 2019:

Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds	$ 1,474,942	None	Semi-annually	95 days
Private Portfolio	$ 739,983	None	Quarterly via tender offer, subject to Board approval	None, 30 days preferred

Investment earnings (losses) consisted of the following for the years ended December 31:

	2019	2018
Interest and dividends	**$ 153,106**	$ 248,591
Net realized investment gains	**1,250,022**	403,107
Net unrealized investment gains (losses)	**753,825**	(1,168,552)
	2,156,953	(516,854)
Investment fees	**(50,209)**	(53,761)
Net investment gains (losses)	**$ 2,106,744**	$ (570,615)

Note 4 – Endowment Funds, Net Assets and Reclassifications

Endowment net assets consisted of the following fund types at December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor designated			
Donor advised	$ -	$ 2,740,470	$ 2,740,470
Scholarship	-	1,432,170	1,432,170
Field of interest	-	539,587	539,587
Donor designated	-	51,382	51,382
Discretionary	-	494,845	494,845
	-	5,258,454	5,258,454
Board designated	27,449	-	27,449
	$ 27,449	$ 5,258,454	$ 5,285,903

In addition to endowment net assets, the Foundation also manages other non-endowed funds. The following summarizes all Foundation net assets as of December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ 27,449	$ 5,258,454	$ 5,285,903
Non-endowment funds	8,097,646	-	8,097,646
Total net assets	$ 8,125,095	$ 5,258,454	$ 13,383,549

The following summarizes the changes in endowment net assets for the year ended December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2019	$ 20,069	$ 3,654,021	$ 3,674,090
Interest and dividends	343	55,094	55,436
Net realized and unrealized losse	4,649	752,283	756,933
Contributions	-	1,187,678	1,187,678
Funds designated by Board	2,500	-	2,500
Appropriated for expenditure	(112)	(390,622)	(390,734)
Change in endowment net assets	7,380	1,604,433	1,611,813
Endowment net assets, December 31, 2019	$ 27,449	$ 5,258,454	$ 5,285,903

Note 4 – Endowment Funds, Net Assets and Reclassifications (continued)

Endowment net assets consisted of the following fund types at December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor designated			
Donor advised	$ -	$ 2,328,924	$ 2,328,924
Scholarship	-	363,672	363,672
Field of interest	-	475,869	475,869
Donor designated	-	45,496	45,496
Discretionary	-	440,060	440,060
	-	3,654,021	3,654,021
Board designated	20,069	-	20,069
	$ 20,069	$ 3,654,021	$ 3,674,090

In addition to endowment net assets, the Foundation also manages other non-endowed funds. The following summarizes all Foundation net assets as of December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ 20,069	$ 3,654,021	$ 3,674,090
Non-endowment funds	8,503,280	-	8,503,280
Total net assets	$ 8,523,349	$ 3,654,021	$ 12,177,370

The following summarizes the changes in endowment net assets for the year ended December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2018, as previously stated	$ -	$ 2,315,759	$ 2,315,759
Reclassifications	-	1,823,862	1,823,862
Endowment net assets, January 1, 2018, restated	-	4,139,621	4,139,621
Interest and dividends	-	85,388	85,388
Net realized and unrealized loss	(5,308)	(322,112)	(327,420)
Contributions	300	115,284	115,584
Funds designated by Board	25,000	-	25,000
Appropriated for expenditure	77	(364,160)	(364,083)
Change in endowment net assets	20,069	(485,600)	(465,531)
Endowment net assets, December 31, 2018	$ 20,069	$ 3,654,021	$ 3,674,090

Note 4 – Endowment Funds, Net Assets and Reclassifications (continued)

Reclassifications. During 2019, management discovered certain endowed funds required to be maintained in perpetuity by the Foundation have been historically reported as net assets without donor restrictions. Net assets totaling $1,823,862, previously reported as without donor restrictions, have been reclassified as net assets with donor restrictions at of January 1, 2018 in the accompanying financial statements.

Note 5 – Operating Lease

The Foundation leases office space in Longmont, Colorado under a noncancelable operating lease. The lease requires monthly payments of $1,910, subject to annual escalations, and expires in August 2022. Rent expense, including utilities, taxes, and parking, under the lease totaled $40,357 and $38,995 for the years ended December 31, 2019 and 2018, respectively.

Future annual minimum base rental lease payments under the operating lease are as follows at December 31, 2019:

Year	Total
2020	$ 26,001
2021	26,729
2022	18,362
	$ 71,092

Note 6 – Retirement Plan

The Foundation has established a retirement plan under Section 401(k) of the Internal Revenue Code. Employees are eligible to participate at 18-years of age. The plan requires matching contributions equal to 100% of employee salary deferrals up to 4% of employee compensation. The Foundation contributed $4,013 and $4,549 during the years ended December 31, 2019 and 2018, respectively.

Note 7 – Concentrations

Support. The Foundation receives predominantly all of its support and revenue from Longmont, Colorado and surrounding communities. In any year, it may receive large gifts from a limited number of donors who may vary from year to year.

Cash. The Foundation routinely maintains cash balances in excess of federally insured limits.

Investments. The Organization's investments subject to credit risk consist primarily of mutual funds. The credit risk is reduced by maintaining the investments in a variety of funds. The investment funds are held and managed by a single financial institution trustee.

Note 8 – Subsequent Events, Uncertainties and Contingencies

During 2020, a health care pandemic occurred in the United States and internationally. In response to this crisis, the federal, state, and municipal governments enacted various policies to curtail business activities until the risk has diminished. The negative impact on the global economy has created uncertainty around the success of future fundraising activities, and the investments held by the Foundation are subject to declines in investment valuations. No reliable estimate of the potential future financial impacts of this uncertainty on the Foundation can be made at this time.

The federal government has enacted various legislation to mitigate some of the economic effects of the pandemic, including the CARES Act of 2020. The Foundation obtained a Payroll Protection Program loan in May 2020 in the amount of $27,315. All or a portion of the loan may be forgivable if spent for specified expenditures, primarily payroll, within the allowable time frame. If not forgiven, the loan bears interest at 1%, and repayment begins in December 2020.