Colorado Gives Foundation

Consolidated Financial Report
December 31, 2022

Contents

Plante & Moran, PLLC
Suite 600
8181 E. Tufts Avenue
Denver, CO 80237
Tel: 303.740.9400
Fax: 303.740.9009
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Colorado Gives Foundation

Opinion

We have audited the accompanying consolidated financial statements of Colorado Gives Foundation and its subsidiary (the "Foundation"), which comprise the consolidated statement of financial position as of December 31, 2022 and 2021 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Colorado Gives Foundation and its subsidiary as of December 31, 2022 and 2021 and the changes in their net assets, functional expenses, and 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 (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our 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.

Emphasis of Matter

As described in Note 5, the consolidated financial statements include investments valued at $139,265,532 (33 percent of net assets) at December 31, 2022 and $122,774,965 (24 percent of net assets) at December 31, 2021, whose fair values have been estimated by management in the absence of readily determinable market values. Management’s estimates are based on monthly and quarterly statements received from the fund managers for the period end. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are issued or available to be issued.

To the Board of Directors
Colorado Gives Foundation

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 consolidated 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

May 26, 2023

Consolidated Statement of Financial Position

December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	$ 9,318,540	$ 17,211,003
Prepaid expenses and other current assets	175,599	169,881
Total current assets	9,494,139	17,380,884
Investments	461,921,359	542,738,313
Impact Investments	1,430,803	961,812
Property and Equipment - Net	3,333,761	3,226,763
Cash Surrender Value of Life Insurance	1,554,024	1,468,687
Total noncurrent assets	468,239,947	548,395,575
Total assets	**$ 477,734,086**	**$ 565,776,459**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 775,001	$ 320,570
Grants payable	5,561,184	10,775,122
Accrued expenses	632,100	566,584
Total current liabilities	6,968,285	11,662,276
Deferred Gift Annuity Liability	28,855	31,032
Agency Funds	44,952,896	46,629,642
Total liabilities	51,950,036	58,322,950
Net Assets		
Without donor restrictions:		
Undesignated	352,732,973	414,902,074
Donor advised	21,236,513	26,106,124
Board designated	15,234,592	15,335,226
Total net assets without donor restrictions	389,204,078	456,343,424
With donor restrictions	36,579,972	51,110,085
Total net assets	425,784,050	507,453,509
Total liabilities and net assets	**$ 477,734,086**	**$ 565,776,459**

See notes to consolidated financial statements.

Consolidated Statement of Activities and Changes in Net Assets

Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions	$ 10,568,600	$ 120,254	$ 10,688,854	$ 9,557,755	$ 136,015	$ 9,693,770
Contributions - Colorado Gives 365	75,342,690	-	75,342,690	77,492,859	-	77,492,859
In-kind donations	583,620	-	583,620	607,695	-	607,695
Less contributions received for agency funds	(85,042,068)	-	(85,042,068)	(82,365,228)	-	(82,365,228)
Other income	1,826,647	-	1,826,647	1,164,381	-	1,164,381
Investment return received from agency funds	(7,537,302)	-	(7,537,302)	4,211,409	-	4,211,409
Less investment return received from agency funds	7,537,302	-	7,537,302	(4,211,409)	-	(4,211,409)
Net assets released from restrictions	8,063,781	(8,063,781)	-	1,737,608	(1,737,608)	-
Total revenue, gains, and other support	11,343,270	(7,943,527)	3,399,743	8,195,070	(1,601,593)	6,593,477
Expenses						
Program services:						
Colorado Gives 365	78,939,117	-	78,939,117	80,617,502	-	80,617,502
Community impact and outreach	23,590,181	-	23,590,181	12,376,698	-	12,376,698
Management fees	930,080	-	930,080	992,513	-	992,513
Less grants and management fees made from agency funds	(79,181,512)	-	(79,181,512)	(80,699,578)	-	(80,699,578)
Total program services	24,277,866	-	24,277,866	13,287,135	-	13,287,135
Support services:						
Management and general	1,986,456	-	1,986,456	1,693,307	-	1,693,307
Fundraising	1,117,431	-	1,117,431	858,849	-	858,849
Total support services	3,103,887	-	3,103,887	2,552,156	-	2,552,156
Total expenses	27,381,753	-	27,381,753	15,839,291	-	15,839,291
Decrease in Net Assets - Before investment (loss) return - Net	(16,038,483)	(7,943,527)	(23,982,010)	(7,644,221)	(1,601,593)	(9,245,814)
Investment (Loss) Return	(51,100,863)	(6,586,586)	(57,687,449)	59,038,402	4,359,166	63,397,568
(Decrease) Increase in Net Assets	(67,139,346)	(14,530,113)	(81,669,459)	51,394,181	2,757,573	54,151,754
Net Assets - Beginning of year	456,343,424	51,110,085	507,453,509	404,949,243	48,352,512	453,301,755
Net Assets - End of year	**$ 389,204,078**	**$ 36,579,972**	**$ 425,784,050**	**$ 456,343,424**	**$ 51,110,085**	**$ 507,453,509**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services			Support Services			
	Colorado Gives 365	Community Impact and Outreach	Total	Management and General	Fundraising	Total	Total
Grants	$ 77,294,095	$ 21,596,100	$ 98,890,195	$ -	$ -	$ -	$ 98,890,195
Salaries and benefits	630,616	1,215,341	1,845,957	1,241,672	747,445	1,989,117	3,835,074
Professional fees	957,122	504,637	1,461,759	571,710	242,905	814,615	2,276,374
Fund management fees	-	930,080	930,080	-	-	-	930,080
Occupancy	5,940	76,004	81,944	21,419	45,627	67,046	148,990
Depreciation	12,369	150,503	162,872	33,502	20,296	53,798	216,670
Insurance	-	-	-	72,600	-	72,600	72,600
Postage and printing	7,629	7,567	15,196	6,647	10,502	17,149	32,345
Travel, conferences, and education	28,309	31,121	59,430	31,201	46,684	77,885	137,315
Miscellaneous	3,037	8,908	11,945	7,705	3,972	11,677	23,622
Total	78,939,117	24,520,261	103,459,378	1,986,456	1,117,431	3,103,887	106,563,265
Less grants and management fees made from agency funds	(78,251,432)	(930,080)	(79,181,512)	-	-	-	(79,181,512)
Total functional expenses	**$ 687,685**	**$ 23,590,181**	**$ 24,277,866**	**$ 1,986,456**	**$ 1,117,431**	**$ 3,103,887**	**$ 27,381,753**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services			Support Services			
	Colorado Gives 365	Community Impact and Outreach	Total	Management and General	Fundraising	Total	Total
Grants	$ 79,673,780	$ 10,877,024	$ 90,550,804	$ -	$ -	$ -	$ 90,550,804
Salaries and benefits	521,518	954,294	1,475,812	1,222,961	649,459	1,872,420	3,348,232
Professional services	363,405	279,745	643,150	309,305	103,972	413,277	1,056,427
Fund management fees	-	992,513	992,513	-	-	-	992,513
Occupancy	11,745	99,616	111,361	29,101	51,659	80,760	192,121
Depreciation	11,001	134,814	145,815	25,784	17,933	43,717	189,532
Insurance	974	-	974	71,216	-	71,216	72,190
Postage and printing	22,197	9,198	31,395	12,563	20,171	32,734	64,129
Travel, conferences, and education	8,681	12,713	21,394	12,828	10,699	23,527	44,921
Miscellaneous	4,201	9,294	13,495	9,549	4,956	14,505	28,000
Total	80,617,502	13,369,211	93,986,713	1,693,307	858,849	2,552,156	96,538,869
Less grants and management fees made from agency funds	(79,707,065)	(992,513)	(80,699,578)	-	-	-	(80,699,578)
Total functional expenses	**$ 910,437**	**$ 12,376,698**	**$ 13,287,135**	**$ 1,693,307**	**$ 858,849**	**$ 2,552,156**	**$ 15,839,291**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	$ (81,669,459)	$ 54,151,754
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation	216,670	189,532
Change in cash surrender value of life insurance	(85,337)	(46,836)
Change in value of deferred gift annuity	(2,177)	(2,309)
Endowment interest and dividends restricted for reinvestment	(446,111)	(604,456)
Realized gains on sale of investments	(2,955,380)	(56,726,731)
Unrealized losses on investments	74,790,729	1,681,877
Contributions restricted for endowment	(798,191)	(711,082)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Prepaid expenses and other assets	(5,718)	419,641
Accounts payable	454,431	(113,792)
Grants payable	(5,213,938)	4,468,300
Accrued expenses	65,516	(183,332)
Agency funds	(1,676,746)	5,877,059
Net cash and cash equivalents (used in) provided by operating activities	(17,325,711)	8,399,625
Cash Flows from Investing Activities		
Proceeds from sales of investments	173,735,732	237,992,058
Purchases of investments	(164,754,127)	(238,482,644)
Issuance of impact investments	(468,991)	(84,837)
Purchase of property and equipment	(323,668)	(275,485)
Net cash and cash equivalents provided by (used in) investing activities	8,188,946	(850,908)
Cash Flows from Financing Activities		
Endowment interest and dividends restricted for reinvestment	446,111	604,456
Proceeds from restricted endowment contributions	798,191	711,082
Net cash and cash equivalents provided by financing activities	1,244,302	1,315,538
Net (Decrease) Increase in Cash and Cash Equivalents	(7,892,463)	8,864,255
Cash and Cash Equivalents - Beginning of year	17,211,003	8,346,748
Cash and Cash Equivalents - End of year	**$ 9,318,540**	**$ 17,211,003**

Note 1 - Nature of Business

Colorado Gives Foundation (formerly Community First Foundation) has been connecting donors and Colorado nonprofits since 1975. We believe that a community is built by connection, and everyone can make good happen. Through Colorado Gives 365, we make it easy for people to donate to the causes they care about, enabling meaningful change to help our neighbors thrive. We achieve this by connecting people, ideas, and nonprofits based on a shared purpose; helping donors with philanthropic planning; and supporting nonprofits with grants and resources. Together, we strive to build resilient, connected, and thriving communities. Our work is rooted in attentive listening and a firm commitment to equity and inclusion. Colorado Gives Foundation is where donors find and discover the community impact that matters most to them, which is good for everyone.

Purpose: To make good happen

Vision: All of Jeffco is thriving

Mission: Connect people, ideas, and nonprofits

As the community foundation serving Jefferson County (Jeffco), Colorado, we believe it is hard to thrive when you cannot meet your most essential needs and that when our neighbors are economically secure, everyone benefits. We believe that resilient and connected neighborhoods are the backbone of a strong community and that civil discourse and social justice are key to strengthening this place we call home. We are also the creators of and continue to operate the ColoradoGives.org online giving platform that connects donors to the nonprofits they want to support.

CFF Arvada, LLC (CFF Arvada) was formed in 2014 as a single-member limited liability company, with Colorado Gives Foundation as the sole member. CFF Arvada owns the land and building that is used as the headquarters of Colorado Gives Foundation.

Note 2 - Significant Accounting Policies

Reporting Entity

The accompanying consolidated financial statements include the accounts of Colorado Gives Foundation and CFF Arvada. All intercompany transactions have been eliminated upon consolidation. The consolidated entity herein is collectively referred to as the "Foundation."

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without restrictions are those currently available at the discretion of the board for use in the Foundation's operations. Board-designated funds are net assets that the board has set aside for specific purposes. Donor-advised funds are net assets where the Foundation has been granted variance power in connection with contributions received under donor-advised agreements.

Net assets with donor restrictions are moneys restricted by donors specifically for certain projects, programs, and time limitations or assets that must be maintained permanently by the Foundation, as required by the donor, but the Foundation is permitted to use or expend part or all of any income derived from those assets in accordance with donor specifications.

Cash Equivalents

For the purpose of the consolidated statement of cash flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents unless held for reinvestment as part of the investment portfolio. As of December 31, 2022, the Foundation had approximately bank deposits of $9,257,000 in excess of FDIC-insured limits.

Note 2 - Significant Accounting Policies (Continued)

Investments

Investments are composed of equities, debt securities, money market funds, commodities, hedge funds, real estate, private equity, and private debt. Investments in marketable equity and fixed-fund securities with readily determinable market values are reported 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. Investments in alternative investments are reported at fair value when statements are received, which may have a lag of one to three months, and recorded net of capital contributions and distributions through December 31, due to the timing of when valuation information is available. The Foundation believes that there is no significant impact to the consolidated financial statements due to this method of reporting and provides timely reporting to fund holders. Unrealized gains and losses are included in investment return in the accompanying consolidated statement of activities and changes in net assets.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that change in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Impact Investments

The Foundation makes impact investments that specifically support its mission and vision, in addition to generating some financial return.

These impact investments include loans receivable made to various organizations. The loans range from $74,500 to $140,000, with interest at 2 percent per annum and payments due through June 2029. No discount on loans receivable has been recorded, as the amount is considered insignificant.

During the year ended December 31, 2020, the Foundation created the Metro Denver COVID Nonprofit Loan Fund (MDCNLF), an impact investment, with a commitment of $1,000,000. As of December 31, 2022 and 2021, the Foundation had funded $1,000,000 and $750,000, respectively, under this agreement. Loans receivable also include a net investment in the MDCNLF in the amount of $915,363 and $696,592 as of December 31, 2022 and 2021, respectively.

The Foundation also considers a reserve for uncollectible loans receivable. The total reserve for all impact investments as of December 31, 2022 and 2021 was $141,881 and $401,492, respectively.

Property and Equipment

Property and equipment are reported at cost or estimated fair value for donated assets, net of accumulated depreciation. The Foundation follows the practice of capitalizing all expenditures for property and equipment over $5,000. Expenditures for maintenance, repairs, and minor replacements are charged to operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 30 years.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets for a specific purpose.

Deferred Gift Annuity Liability

Split-interest agreements are recorded as an asset, revenue, and a liability at the time of the gift. The liability amount is based upon the fair value of the underlying gift, the actuarial facts of the annuitant, and a present value discount rate for the expected life of the annuitant. The difference between this present value and the fair value of the gift is recorded as revenue at the time of the gift. Subsequent changes in the present value due to life expectancy or other actuarial facts are recognized as an increase or decrease of net assets in the year the change is detected.

Note 2 - Significant Accounting Policies (Continued)

Agency Endowments and Designations

The Foundation follows accounting standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investments of those assets, or both back to the donor nonprofit organization as a reciprocal transfer between the organization and the Foundation. Accordingly, the Foundation must account for the transfer of such assets as a liability. The Foundation has two types of such funds that are treated as liabilities: (a) agency endowments and (b) agency designations, including Colorado Gives 365. The Foundation has elected to present the agency transactions on a grossed-up basis in the consolidated statement of activities and changes in net assets. See Notes 7 and 8 for activity of agency funds.

Contributions

All contributions are considered available for general use unless specifically restricted by the donor. The Foundation reports gifts of cash and other assets as donor-restricted if they are received with donor stipulations that limit the use or timing of the donated assets. When the donor restriction expires, that is, when a stipulated time restriction ends and/or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Revenue Recognition

Other income includes management fees that are recognized by the Foundation over time as the service is provided.

Donated Services

Contributed nonfinancial assets include donated media and advertising services and other in-kind contributions that are recorded at the respective fair values of the services received.

Contributed services are recognized as in-kind revenue at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. The Foundation receives contributed advertising and media services used in program services that are reported at current rates charged for such services. The Foundation received donated media and advertising services of $583,620 during the year ended December 31, 2022, which are included in in-kind donations on the consolidated statement of activities and changes in net assets.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses incurred directly for a service are charged to such service. Salaries and related fringe benefits are allocated to all services based on time and effort. Occupancy costs and depreciation are allocated on square footage. IT costs are allocated based on equipment counts. Costs have been allocated between the various program and support services based on estimates determined by management.

Grants

Unconditional grants are recorded as expenses and liabilities when they are approved. Most grants are expected to be paid within one year. Conditional grants that are expected to be paid in future years are expensed when such conditions are substantially met.

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The Foundation is not a private foundation within the meaning of Section 509(a) of the Code. Income from activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. Any tax expense incurred is estimated and recognized as management and general expense in the period the income tax return is filed.

Subsequent Events

The Foundation has evaluated all subsequent events up through and including May 26, 2023, which is the date the consolidated financial statements were available to be issued.

Note 3 - Adoption of New Accounting Pronouncement

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions that charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). The ASU requires that contributed nonfinancial assets are reported by category within the financial statements and additional disclosures for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. The Foundation adopted the ASU using the retrospective method as of January 1, 2022.

Note 4 - Liquidity and Availability of Resources

The following reflects the Foundation's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date:

	2022	2021
Cash and cash equivalents	$ 9,318,540	$ 17,211,003
Investments (Note 5)	461,921,359	542,738,313
Impact investment	1,430,803	961,812
Cash surrender value of life insurance	1,554,024	1,468,687
Total financial assets	474,224,726	562,379,815
Less those unavailable for general expenditures within one year due to:		
Donor-restricted funds	36,579,972	51,110,085
Agency funds	44,952,896	46,629,642
Donor-advised funds	21,236,513	26,106,124
Board-designated funds	15,234,592	15,335,226
Contractual restrictions:		
Impact investments not due within one year	1,037,982	826,759
Cash surrender value of life insurance	1,554,024	1,468,687
Total contractual or donor-imposed restrictions	120,595,979	141,476,523
Financial assets available to meet cash needs for general expenditures within one year	$ 353,628,747	$ 420,903,292

The Foundation's endowments consist of donor-restricted funds and funds without donor restrictions. Distributions from donor-restricted endowments are restricted for specific purposes and, therefore, are not available for general expenditure. The endowment without donor restrictions consists of funds that are not subject to any existing donor-imposed restrictions or board-imposed designations and, therefore, are available to support the operations and grant making of the Foundation.

The Foundation maintains liquidity based on projected short-term cash requirements. The Foundation maintains a cash balance in its endowment without donor restrictions.

Annually, a budget is approved that authorizes transfers of no less than 3 percent and no more than 5 percent from endowments without donor restrictions to operating and nonoperating funds to support operations and grantmaking.

Note 5 - Investments and Fair Value Measurements

Fair Value Measurements

The Foundation has adopted accounting standards that establish a framework for measuring fair value and require enhanced disclosures about fair value measurements. The guidance establishes a hierarchal disclosure framework that prioritizes and ranks the level of market price observability used in measuring financial assets at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Note 5 - Investments and Fair Value Measurements (Continued)

The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

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

As required by accounting principles generally accepted in the United States of America, the Foundation uses net asset value per share or its equivalent (the "practical expedient"), such as member units or an ownership interest in partners' capital, to estimate the fair value of an alternative investment and requires additional fair value disclosures of the Foundation's alternative investments.

The following is a description of the valuation methodologies used for assets measured at fair value:

Equities and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded

Debt securities: Valued based on prices currently available on comparable securities

Absolute return, real estate, hedged equity, private equity, and private debt funds: Valued based on net asset value per share of the investments

There were no changes in valuation methodology during the years ended December 31, 2022 and 2021.

In accordance with accounting principles generally accepted in the United States of America, certain investments that are measured at fair value using net asset value practical expedient are not classified in the fair value hierarchy. The fair value amounts presented in the following table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

Note 5 - Investments and Fair Value Measurements (Continued)

The following tables set forth by level within the fair value hierarchy the Foundation's investment assets measured on a recurring basis at fair value:

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2022
Equities:				
Large-cap equity	$ 94,837,924	$ -	$ -	$ 94,837,924
Mid-cap equity	23,011,469	-	-	23,011,469
Small-cap equity	440,737	-	-	440,737
International equity	67,634,065	-	-	67,634,065
Total equities	185,924,195	-	-	185,924,195
Fixed income:				
Mutual funds	86,168,587	-	-	86,168,587
Debt securities	27,809,811	14,976,173	-	42,785,984
Total fixed income	113,978,398	14,976,173	-	128,954,571
Money market mutual funds	7,777,061	-	-	7,777,061
Total	$ 307,679,654	$ 14,976,173	$ -	322,655,827
Investments measured at NAV				139,265,532
Total assets				$ 461,921,359

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
Equities:				
Large-cap equity	$ 145,852,390	$ -	$ -	$ 145,852,390
Mid-cap equity	12,944,476	-	-	12,944,476
Small-cap equity	553,323	-	-	553,323
International equity	111,496,767	-	-	111,496,767
Total equities	270,846,956	-	-	270,846,956
Fixed income:				
Mutual funds	69,364,546	-	-	69,364,546
Debt securities	22,822,473	52,214,348	-	75,036,821
Total fixed income	92,187,019	52,214,348	-	144,401,367
Money market mutual funds	4,715,025	-	-	4,715,025
Total	$ 367,749,000	$ 52,214,348	$ -	419,963,348
Investments measured at NAV				122,774,965
Total assets				$ 542,738,313

Note 5 - Investments and Fair Value Measurements (Continued)

Investments in Entities that Calculate Net Asset Value per Share

At year end, the fair value, unfunded commitments, and redemption rules of those investments valued at net asset value are as follows:

	2022	2021			
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Absolute return (a)	$ 27,271,816	$ 28,200,708	$ -	Semiannual	90-95 days
Real estate (b)	39,776,195	27,822,872	-	Quarterly	30-90 days
Hedged equity (c)	14,594,849	14,168,020	-	Monthly	90 days
Private equity (d)	32,543,718	30,386,229	16,643,604	N/A	N/A
Private debt (e)	25,078,954	22,197,136	1,249,778	Quarterly, none	90 days
Total	$ 139,265,532	$ 122,774,965	$ 17,893,382		

(a) This category includes investments in absolute return funds that pursue multiple strategies to diversify risk and reduce volatility. The absolute return funds' composite portfolio for this category includes investments in public equities, private equities, public equity derivatives, treasurys, and fixed-income derivatives. Investments representing an insignificant amount cannot be redeemed at net asset value because the investments include holdings that are part of an illiquid market.

(b) This category includes investments in private real estate assets. Included are holdings in real assets; mortgages may also be included.

(c) This category includes investments in hedge funds that invest both long and short, primarily in common stocks, both domestic and international. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small- to large-capitalization stocks, and from a net long to a net short position.

(d) This category includes investments in private companies, both domestic and international. Certain investments can be liquidated in secondary markets within one year at a discount.

(e) This category includes investments in the debt of private companies.

Investment Return

The following schedules summarize the net investment return and its classification in the consolidated statement of activities and changes in net assets:

	2022			
	Without Donor Restrictions	With Donor Restrictions	Agency	Total
Investment income, less portfolio management fees of $322,768	$ 5,106,159	$ 717,879	$ 786,560	$ 6,610,598
Realized gains on sale of investments	2,564,055	177,125	214,200	2,955,380
Unrealized losses on investments	(58,771,077)	(7,481,590)	(8,538,062)	(74,790,729)
Total investment return	$ (51,100,863)	$ (6,586,586)	$ (7,537,302)	$ (65,224,751)

Note 5 - Investments and Fair Value Measurements (Continued)

	2021			
	Without Donor Restrictions	With Donor Restrictions	Agency	Total
Investment income, less portfolio management fees of $318,898	$ 10,586,793	$ 1,032,549	$ 944,781	$ 12,564,123
Realized gains on sale of investments	45,920,069	5,461,959	5,344,703	56,726,731
Unrealized gains (losses) on investments	2,531,540	(2,135,342)	(2,078,075)	(1,681,877)
Total investment return	$ 59,038,402	$ 4,359,166	$ 4,211,409	$ 67,608,977

Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	2022	2021
Land	$ 423,060	$ 423,060
Land improvements	513,099	513,099
Building and building improvements	3,086,039	3,086,039
Furniture and fixtures	548,198	518,868
Computer equipment and software	237,672	-
Total cost	4,808,068	4,541,066
Accumulated depreciation	1,474,307	1,314,303
Net property and equipment	$ 3,333,761	$ 3,226,763

Note 7 - Colorado Gives 365

Colorado Gives 365 is a year-round, online giving platform featuring approximately 3,300 Colorado nonprofit organizations. Made possible by Colorado Gives Foundation since 2007, Colorado Gives 365 encourages charitable giving by providing comprehensive, objective, and up-to-date information about Colorado nonprofits and an easy way to support them online. Since inception, the platform has raised approximately $574 million for Colorado nonprofits, which includes dollars raised from Colorado Gives Day.

Colorado Gives Day is an annual statewide celebration to increase online giving. Donations are accepted at ColoradoGives.org. Colorado Gives Day is one of the most successful events of its kind in the nation. Since its inception in 2010, the event has raised approximately $415 million for Colorado nonprofits.

In 2022, the Foundation raised approximately $53 million through Colorado Gives Day for nonprofits, including incentive contributions of $847,000. In addition, the Foundation contributed $500,000 of its unrestricted funds to be used for incentive contributions.

In 2021, the Foundation raised approximately $55 million through Colorado Gives Day for nonprofits, including incentive contributions of $1.1 million. In addition, the Foundation contributed $500,000 of its unrestricted funds to be used for incentive contributions.

For the years ended December 31, 2022 and 2021, the Foundation raised and distributed approximately $76 million and $78 million, respectively, through the Colorado Gives 365 program.

Note 8 - Funds Held as Agency Endowments and Designations

The following summarizes the Foundation's agency fund activity during the years ended December 31, 2022 and 2021. The funds are included in investments in the consolidated statement of financial position. Because they are agency transactions, all activity is recorded in liability accounts rather than in the consolidated statement of activities and changes in net assets:

	Agency Endowments	Agency Designations	Total
Balance - December 31, 2020	$ 40,425,815	$ 326,768	$ 40,752,583
Contributions	3,548,218	78,732,010	82,280,228
Matching contributions	85,000	-	85,000
Investment return	4,199,537	11,872	4,211,409
Grant distributions	(1,809,481)	(78,501,159)	(80,310,640)
Management fees	(385,432)	(3,506)	(388,938)
Balance - December 31, 2021	46,063,657	565,985	46,629,642
Contributions	8,235,822	76,556,246	84,792,068
Matching contributions	250,000	-	250,000
Investment return	(7,512,700)	(24,602)	(7,537,302)
Grant distributions	(2,404,585)	(76,400,563)	(78,805,148)
Management fees	(373,028)	(3,336)	(376,364)
Balance - December 31, 2022	$ 44,259,166	$ 693,730	$ 44,952,896

Note 9 - Cash Surrender Value of Life Insurance

The Foundation is the owner and beneficiary of certain life insurance contracts. Upon a donor's death, the life insurance proceeds will be paid to the Foundation. At December 31, 2022 and 2021, these contracts had total face values of $4,900,000, with related cash surrender values of $1,554,024 and $1,468,687, respectively.

Note 10 - Deferred Gift Annuity Liability

The Foundation has charitable gift annuity assets of $158,000 as of December 31, 2022 and 2021. Present values of discounted actuarially based liabilities are $28,855 and $31,032 as of December 31, 2022 and 2021, respectively, using discount rates ranging from 6 percent to 9 percent and actuarial life expectancy tables and are included in deferred gift annuity liability in the accompanying consolidated statement of financial position.

Note 11 - Net Assets

Net Assets without Donor Restrictions

Donor-advised Net Assets

The Foundation has entered into donor-advised fund agreements where the Foundation received contributions from other entities and individuals. The Foundation was granted variance power to manage, invest, and ultimately decide how these funds are contributed to other organizations. These net assets are classified as donor-advised net assets without donor restrictions on the consolidated statement of financial position as of December 31, 2022 and 2021.

Note 11 - Net Assets (Continued)

Board-designated Net Assets

Board-designated net assets are funds set aside by the Foundation's board and are released through policy or specific board action.

Board-designated net assets consist of the following:

	2022	2021
Field of interest	$ 3,688,739	$ 4,381,471
Community impact	7,274,939	7,324,887
Social impact	3,468,349	2,582,439
Other	802,565	1,046,429
Total	$ 15,234,592	$ 15,335,226

Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31 are available for the following purposes:

	2022	2021
Subject to expenditures for a specified purpose	$ 13,091,602	$ 19,103,579
Endowment earnings subject to the Foundation's spending policy and appropriation	277,684	3,116,630
Funds held in perpetuity	23,210,686	28,889,876
Total	$ 36,579,972	$ 51,110,085

Note 12 - Donor-restricted and Board-designated Endowments

The Foundation's endowments consist of various individual funds established for a variety of purposes. The endowments include both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Foundation has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary.

	Endowment Net Asset Composition by Type of Fund as of December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 23,488,370	$ 23,488,370
Board-designated endowment funds	9,275,431	-	9,275,431
Total funds	$ 9,275,431	$ 23,488,370	$ 32,763,801

Note 12 - Donor-restricted and Board-designated Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 9,469,925	$ 32,006,506	$ 41,476,431
Investment return:			
Investment income	4,076	182,715	186,791
Net loss	(513,401)	(5,228,605)	(5,742,006)
Total investment return	(509,325)	(5,045,890)	(5,555,215)
Additions/Transfers	314,831	798,191	1,113,022
Appropriation of endowment assets for expenditure	-	(4,270,437)	(4,270,437)
Endowment net assets - End of year	$ 9,275,431	$ 23,488,370	$ 32,763,801

	Endowment Net Asset Composition by Type of Fund as of December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 32,006,506	$ 32,006,506
Board-designated endowment funds	9,469,925	-	9,469,925
Total funds	$ 9,469,925	$ 32,006,506	$ 41,476,431

	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 8,577,852	$ 30,141,642	$ 38,719,494
Investment return:			
Investment income	31,187	335,304	366,491
Net gain	533,092	2,244,457	2,777,549
Total investment return	564,279	2,579,761	3,144,040
Additions/Transfers	327,794	711,082	1,038,876
Appropriation of endowment assets for expenditure	-	(1,425,979)	(1,425,979)
Endowment net assets - End of year	$ 9,469,925	$ 32,006,506	$ 41,476,431

Underwater Endowment Funds

As of December 31, 2022 and 2021, there were no funds with deficiencies.

Return Objectives and Risk Parameters

The board is responsible for defining the investment goals and objectives and for establishing asset allocation parameters, downside risk limitations, growth expectations, and liquidity guidelines. The board works with an outsourced chief investment officer who is responsible for managing the endowment portfolios within those board-developed investment goals and objectives. The Foundation has multiple investment portfolios, each with unique strategies, in which funds can be invested. Funds are invested in the appropriate portfolio based on purpose and time horizon.

Note 12 - Donor-restricted and Board-designated Endowments (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The board approves distributions from the funds designated by the board to function as endowments through the annual budget process. Expenditures from the donor-restricted endowment funds are controlled by the Foundation's board in concert with the donors' intent.

Note 13 - Retirement Plan

The Foundation sponsors a 401(k) safe harbor plan (the "401(k) Plan") effective April 19, 2019, which covers substantially all employees. The 401(k) Plan allows employees to make pretax and post-tax contributions. The Foundation matches employees' deferrals at a rate of 120 percent up to 5 percent of employee income, which amounted to $167,233 and $142,304 for the years ended December 31, 2022 and 2021, respectively.