The Community Foundation Serving Boulder County

Consolidated Financial Statements

December 31, 2020
With Comparative Totals for December 31, 2019

(With Independent Auditor's Report Thereon)

Kundinger, Corder & Engle, P.C.

Certified Public Accountants

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Independent Auditor's Report

Board of Trustees
The Community Foundation Serving Boulder County

Report on the Financial Statements
We have audited the accompanying financial statements of The Community Foundation Serving Boulder County, which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated 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 The Community Foundation Serving Boulder County as of December 31, 2020 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.

Board of Trustees
The Community Foundation Serving Boulder County

Report on Summarized Comparative Information
We have previously audited The Community Foundation Serving Boulder County's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kundinger, Corder & Engle, P.C.

August 2, 2021

The Community Foundation Serving Boulder County

Consolidated Statement of Financial Position

December 31, 2020

(With Summarized Comparative Information for December 31, 2019)

		2020	2019
Assets			
Cash and cash equivalents	$	418,685	159,528
Investments (note 3)		148,605	81,407
Beneficial interest in assets held by Greater Horizons (note 4)			
Cash and cash equivalents		11,699,979	6,224,865
Investments (note 3)		63,002,266	57,868,659
Contributions receivable (note 5)		255,010	255,216
Investment proceeds receivable		–	551,098
Notes receivable - program-related investments, net (note 6)		89,999	346,455
Charitable remainder trust (notes 3 and 7)		127,833	133,618
Property and equipment, net (notes 8 and 10)		4,618,542	4,723,759
Prepaid expenses and other assets		66,320	33,955
Total assets		80,427,239	70,378,560
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued liabilities		228,858	333,735
Grants payable		296,959	20,100
Liabilities under charitable remainder trust (note 7)		63,986	63,322
Notes payable (note 10)		2,888,783	2,940,197
Assets held for others (note 9)		5,294,145	4,211,997
Total liabilities		8,772,731	7,569,351
Net assets			
Net assets without donor restrictions		71,561,748	62,604,313
Net assets with donor restrictions (note 11)		92,760	204,896
Total net assets		71,654,508	62,809,209
Commitments (notes 10, 12 and 13)			
Total liabilities and net assets	$	80,427,239	70,378,560

See the accompanying notes to the consolidated financial statements.

The Community Foundation Serving Boulder County
Consolidated Statement of Activities
Year Ended December 31, 2020
(With Summarized Comparative Information for the Year Ended December 31, 2019)

	Without donor restrictions	With donor restrictions	Total 2020	Total 2019
Revenue				
Contributions	$ 15,452,827	80,000	15,532,827	8,103,608
Net investment return	6,962,952	–	6,962,952	8,916,637
In-kind donations	27,165	–	27,165	48,963
Program revenue and other income	1,906	–	1,906	128,684
Investment management fees	48,620	–	48,620	40,709
Rental income (note 13)	279,639	–	279,639	257,424
Change in value of charitable remainder trust	–	(7,536)	(7,536)	18,506
Net assets released from restrictions (note 11)	184,600	(184,600)	–	–
Total revenue and support	22,957,709	(112,136)	22,845,573	17,514,531
Expenses				
Program services	11,736,632	–	11,736,632	7,548,945
Supporting services				
Management and general	1,482,459	–	1,482,459	730,133
Fundraising	781,183	–	781,183	961,052
Total supporting services	2,263,642	–	2,263,642	1,691,185
Total expenses	14,000,274	–	14,000,274	9,240,130
Change in net assets	8,957,435	(112,136)	8,845,299	8,274,401
Net assets at beginning of year	62,604,313	204,896	62,809,209	54,534,808
Net assets at end of year	$ 71,561,748	92,760	71,654,508	62,809,209

See the accompanying notes to the consolidated financial statements.

The Community Foundation Serving Boulder County

Consolidated Statement of Functional Expenses

Year Ended December 31, 2020

(With Summarized Comparative Information for the Year Ended 2019)

		Supporting services				
	Program services	Management and general	Fund raising	Total supporting services	Total 2020	Total 2019
Grants	$ 10,334,198	–	–	–	10,334,198	6,545,618
Salaries, payroll taxes, and benefits	579,857	515,469	566,347	1,081,816	1,661,673	1,334,111
Consultant and contract employees	345,747	161,009	9,642	170,651	516,398	415,728
Information technology	446,553	56,323	607	56,930	503,483	55,325
Professional fees and insurance	22,872	270,832	14,218	285,050	307,922	157,218
Bad debt expense	–	–	168,929	168,929	168,929	–
Office expenses	815	124,336	80	124,416	125,231	239,352
Advertising and marketing	1,227	103,470	11,776	115,246	116,473	166,133
Interest expense	–	77,685	–	77,685	77,685	88,722
Property taxes	–	46,746	–	46,746	46,746	40,267
Printing and publications	1,988	4,518	5,097	9,615	11,603	23,935
Meetings and events	3,124	–	4,064	4,064	7,188	49,182
Other	–	2,033	–	2,033	2,033	2,625
Conference and travel	251	386	423	809	1,060	2,794
Depreciation	–	119,652	–	119,652	119,652	119,120
	$ 11,736,632	1,482,459	781,183	2,263,642	14,000,274	9,240,130

See the accompanying notes to the consolidated financial statements.

The Community Foundation Serving Boulder County

Consolidated Statement of Cash Flows

Year Ended December 31, 2020

(With Summarized Comparative Information for the Year Ended December 31, 2019)

		2020	2019
Cash flows from operating activities			
Change in net assets	$	8,845,299	8,274,401
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Net realized and unrealized gain on investments		(6,009,322)	(7,740,765)
Depreciation		119,652	119,120
Change in charitable remainder trust		6,449	126,121
Transfer of program related investment		–	542,579
Changes in operating assets and liabilities			
Contributions receivable		206	(22,766)
Investment proceeds receivable		551,098	(551,098)
Notes receivable - program related investments		256,456	(889,034)
Prepaid expenses and other assets		(32,365)	(5,585)
Accounts payable and accrued liabilities		(104,877)	227,701
Grants payable		276,859	(594,817)
Assets held for others		1,082,148	1,462,633
Net cash provided by operating activities		4,991,603	948,490
Cash flows from investing activities			
Net proceeds from (purchases of) investments		808,517	(2,691,645)
Purchases of property and equipment		(14,435)	(3,000)
Net cash provided by (used in) investing activities		794,082	(2,694,645)
Cash flows from financing activities			
Repayments of bank loan		(51,414)	(58,346)
Net cash used in financing activities		(51,414)	(58,346)
Net increase (decrease) in cash and cash equivalents		5,734,271	(1,804,501)
Cash and cash equivalents at beginning of year		6,384,393	8,188,894
Cash and cash equivalents at end of year	$	12,118,664	6,384,393
Supplemental Disclosure			
Interest paid		77,685	88,722
Reconciliation of cash and cash equivalents at end of year			
Cash and cash equivalents	$	418,685	159,528
Beneficial interest in cash and cash equivalents held by Greater Horizons		11,699,979	6,224,865
	$	12,118,664	6,384,393

See the accompanying notes to the consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

The Community Foundation Serving Boulder County (the Foundation) was established in 1991. The Foundation receives, administers and disburses funds for public, charitable, educational, scientific, literary, environmental, health and human services, and other benevolent purposes. The Foundation finances its operations largely through donations and investment earnings. The Foundation exists to encourage and strengthen philanthropy, enhance the structure and capacity of local not-for-profit agencies, provide opportunities to improve the quality of life in Boulder County communities, and to benefit future generations.

The Foundation provides funding and creates connections between nonprofit organizations and the resources they need. They look to those nonprofits to help the Foundation respond to community needs and opportunities.

Greater Horizons
The Foundation partners with Greater Horizons (GH), a wholly-owned nonprofit subsidiary of the Greater Kansas City Community Foundation, which provides the Foundation with back office administration, accounting, and access to institutional quality pooled investment funds. GH provides these services to community foundations throughout the country. To provide its customers with assurance regarding its accounting and internal control systems, GH completes an annual internal control audit (SOC 1) and a financial statement audit.

The Foundation granted variance power to GH, allowing GH to make final decisions regarding distributions from the Foundation's assets. However, if GH intends to exercise its variance power, it must notify the Foundation in advance and allow the Foundation to terminate the arrangement and withdraw its assets. See note 4.

(b) Financial Statement Presentation

Basis of Consolidation
The accompanying consolidated financial statements include the accounts of the Foundation and its wholly-owned subsidiaries described below. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting
The consolidated financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

(1) Summary of Significant Accounting Policies, Continued

(b) Financial Statement Presentation, Continued

Financial Statement Presentation
The Foundation is required to present information regarding its financial position and activities according to the following net asset classifications:

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 Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

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, whereby the donor has stipulated the funds be maintained in perpetuity. The Foundation did not have any net assets required to be maintained in perpetuity as of December 31, 2020.

(c) Organizational Structure

For liability protection and management of certain gifts, the Foundation formed the following subsidiaries:

- 1123 Spruce Street LLC, a Colorado limited liability company which owns the office building where the Foundation conducts its operations.
- TCFSO, a Colorado nonprofit corporation that is wholly owned by the Foundation; a supporting organization that wholly owns the following LLCs:
  - Pledge 1% Colorado LLC (Pledge 1%), a Colorado limited liability company which holds donated stock warrants and other securities of privately held companies.
  - Willard, LLC, a Colorado limited liability company which holds a real estate remainder interest.

(d) Cash and Cash Equivalents

Cash and cash equivalents include money market accounts and certificates of deposit. For purposes of the consolidated statement of cash flows, the Foundation considers all highly liquid instruments with original maturities of three months or less and which are not held as part of the investment portfolio to be cash equivalents.

(e) Concentrations

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, investments, and notes receivable – program-related investments. The Foundation places its cash and cash equivalents with creditworthy, high-quality financial institutions. A significant portion of the cash funds are not insured by the FDIC. Credit risk with respect to notes receivable – program-related investments varies based on the creditworthiness and past collection experience of the organizations to which the Foundation provides the loans.

(1) Summary of Significant Accounting Policies, Continued

(e) Concentrations, Continued

Investments are under the guidance of the Foundation's investment committee and independent advisors. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Foundation believes that the investment policy is prudent for the long-term welfare of the Foundation.

(f) Investments

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position. Fair value is more fully described in note 1(g).

Investments in marketable equity and fixed income securities with readily determinable market values are reported at fair value based on quoted prices in active markets. Because of inherent uncertainties of the valuation of alternative investments, the recorded market values of such investments may differ significantly from realizable values. Management is responsible for the fair value measurement of investments reported in the financial statements and believes that the reported values are reasonable.

Occasionally, the Foundation receives noncash donations, such as real estate or equity securities of privately held companies, which do not have readily determinable market values. Donations of such investments are reported at fair value, estimated based upon evaluation of individual assets and sales of comparable assets. The Foundation holds warrants for stock and other ownership interests in privately held companies. No value is included for these assets unless there is a liquidity event to establish the market value.

It is the Foundation's policy to sell contributed publicly traded securities upon receipt. In cases where the security contains restrictions, the security is liquidated as soon as possible.

Investment return consists of the Foundation's distributive share of interest, dividends, and capital gains and losses generated from investments. Realized gains and losses attributable to the Foundation's investments are reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the statement of activities.

(g) Fair Value Measurements

Fair value is defined as 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. Generally accepted accounting principles in the U.S. establishes a fair value hierarchy that prioritizes investments based on the assumptions market participants would use when pricing an asset. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Foundation groups assets at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

(1) Summary of Significant Accounting Policies, Continued

(g) Fair Value Measurements, Continued

These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability, and;
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

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 (Level 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.

(h) Contributions and Contributions Receivable

Contributions are recognized when cash, securities, and unconditional promises to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor-imposed restrictions. The Foundation's bylaws and all donor agreements grant variance power to the Foundation's Board. Variance power allows the Board to modify or vary donor restrictions if they become incapable of fulfillment or are inconsistent with the charitable needs of the community. The Foundation strives to honor donor's charitable intent and accepts grant recommendations from donors. However, by virtue of its variance power the Foundation generally reports contributions as having no donor restrictions.

Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Foundation records contributions with donor restrictions as having no donor restrictions if the restrictions are met in the same reporting period.

(1) Summary of Significant Accounting Policies, Continued

(h) Contributions and Contributions Receivable, Continued

Contributions receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year, less an allowance for doubtful accounts. Management uses the allowance method to determine uncollectible amounts. The allowance is based on prior years' experience and management's analysis of specific promises made. At December 31, 2020, management considers all contributions receivable to be fully collectible.

(i) Notes Receivable – Program-Related Investments

The Foundation makes loans as program-related investments for charitable purposes. The notes are made at varying interest rates over varying terms. Loans with below market interest rates are not discounted to net present value because the discount would not be significant to the financial statements. Loans receivable are carried at the unpaid principal balances. Past due status is determined based on contractual terms. Loans are evaluated for collectibility if full principal or interest payments are not anticipated in accordance with contractual terms. If a loan is deemed uncollectible, it is charged against their allowance or expensed in the period it is deemed uncollectible. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal outstanding.

(j) Charitable Remainder Trust

The Foundation occasionally receives gifts from donors who establish charitable remainder trusts naming the Foundation as trustee. Such trusts require the Foundation to make lifetime distributions to designated beneficiaries. The payments are made from the income or principal of the assets donated pursuant to the trust agreement. Upon the death of the beneficiary, assets remaining in such trusts will be transferred to the Foundation or another designated entity.

The Foundation records assets held in such trusts at fair value and records a liability at the estimated present value of the amounts due to the beneficiaries. The excess of the gift's fair value over the corresponding liability is recognized as support in the year of the gift. In subsequent years, gains or losses from changes in actuarial assumptions, accretions of the discount, and investment gains or losses are recorded as increases or decreases in the value of charitable remainder trusts in the consolidated statement of activities.

(k) Property and Equipment

Property and equipment is recorded at cost if purchased or fair value at the date of donation. The Foundation capitalizes all property and equipment with a cost of $500 or more. Depreciation of owned assets is calculated using the straight-line method over estimated useful lives of the assets ranging from 3 to 40 years.

(l) Grants

Grants are recorded as an expense when approved for payment. Grants authorized but unpaid at year-end are reported as liabilities in the accompanying consolidated statement of financial position.

(1) Summary of Significant Accounting Policies, Continued

(m) In-Kind Contributions

In-kind contributions are recorded as contributions and corresponding expenses at their estimated fair values at the date of donation, or capitalized if they meet certain criteria. Donated services are recognized when they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

(n) Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. The majority of Foundation expenses directly relate and can be assigned to a specific program of supporting activity. Costs which are not attributable to a specific program or supporting activity are allocated by management on a consistent basis such as estimates of time and effort incurred by staff.

(o) Estimates

The preparation of financial statements in conformity with 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 financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(p) Income Taxes

The Foundation is a not-for-profit organization and is generally exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and is classified as a public charity. The Foundation's wholly-owned subsidiary TCFSO has been designated a Type 2 supporting organization exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Foundation is subject to income tax on unrelated business income derived from rental income from a debt-financed office building. However, the Foundation had no taxable income to report for 2020 from these activities.

The Foundation follows *Accounting for Uncertainty in Income Taxes* accounting standard which requires the Foundation to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The Foundation believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are significant to the financial statements. The Foundation's tax returns for the previous three years are subject to examination by the IRS.

(q) Subsequent Events

The Foundation has evaluated subsequent events through August 2, 2021, the date the consolidated financial statements were available to be issued.

(2) Availability and Liquidity of Financial Assets

The Foundation's financial assets available to meet cash needs for general expenditure within one year totaled $69,287,016 as of December 31, 2020. This amount represents investments that are held in cash equivalents or are able to be liquidated within one year. None of these financial assets are subject to donor or other contractual agreements that make them unavailable for general expenditure. As described in note 4, the Foundation has the right to withdraw its assets held by Greater Horizons, and therefore considers the entire balance to be available for general expenditures.

The Foundation manages its financial assets to provide resources for the annual costs of its operations by strategically investing through a broadly diversified asset allocation model that meets the long-term expected needs of the Foundation. The Foundation expects to have sufficient cash flow for monthly obligations for the year ending December 31, 2021.

The Foundation has unrestricted cash equivalent reserves in excess of $2,400,000 as of December 31, 2020, upon which it could draw if necessary.

The following represents the Foundation's financial assets at December 31, 2020:

Financial assets at year-end	
Cash and cash equivalents	$ 12,118,664
Investments	148,605
Beneficial interest in investments held by GH	63,002,266
Contributions receivable, due in one year	255,010
Accounts receivable	26,053
Notes receivable – program-related investments, expected to be collected in one year	90,000
Financial assets at year-end	75,640,598
Less amounts unavailable for general expenditures within one year due to contractual restrictions	
Required for debt service	59,437
Required to meet debt covenant	1,000,000
Agency endowment liabilities	5,294,145
	6,353,582
Financial assets available for general expenditures within one year	$ 69,287,016

(3) Investments

The Foundation's investment assets, which consist of publicly traded securities and beneficial interest in investments held by Greater Horizons, are dedicated to providing the financial resources needed to meet the Foundation's charitable objectives.

Marketable securities are exposed to various risks that may cause the reported value of the investment assets to fluctuate from period to period and result in a material change to the net assets of the Foundation. Investments in equity securities fluctuate in value in response to many factors such as the activities and financial condition of individual companies, business and industry market conditions, and the general economic environment. The value of certificates of deposit fluctuate in response to changing interest rates, credit worthiness of issuers, and overall economic policies that impact market conditions.

(3) Investments, Continued

Investments are stated at their fair values and consist of the following at December 31, 2020:

	Total	Level 1	Level 2
Publicly traded securities	$ 148,605	148,605	–
Beneficial interest in investments held by Greater Horizons	$ 63,002,266	63,002,266	–
Charitable remainder trust	$ 127,833	–	127,833

Level 1 assets have been valued using the market approach. Level 2 assets have been valued using models or other methodologies. There were no changes in valuation techniques during the current year.

(4) Beneficial Interest in Assets Held by Others

Effective January 1, 2016, the Foundation transferred cash and investments totaling $50,864,402 to Greater Horizons (GH) and named itself as the beneficiary. The Foundation granted variance power to GH. The Foundation retains a beneficial interest in those assets and can withdraw all or a portion of the assets (including appreciation) upon approval of the Foundation's governing board.

In accordance with *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others* accounting standard, the transfer was not considered to be a contribution from the Foundation to GH but rather was accounted for as a reciprocal transfer from the Foundation to GH. Therefore, the transfer is reflected in the consolidated statement of financial position as "beneficial interest in assets held by Greater Horizons" and is included in net assets without donor restrictions.

The assets held by GH are in cash, certificates of deposit, marketable equity and fixed income securities, and co-mingled investment pools consisting of marketable investments. The Foundation reports its interest in the pool at fair value using information provided by GH. Investment return consists of the Foundation's distributive share of any interest, dividends, and capital gains and losses generated from the investments, as well as the change in fair value of the investments.

(5) Contributions Receivable

Contributions receivable of $255,010 are expected to be received in one year or less as of December 31, 2020.

At December 31, 2020, the Foundation had no conditional contributions receivable that have not been recorded in the accompanying consolidated financial statements because the conditions have not been met.

(6) Notes Receivable – Program-Related Investments

Notes receivable – program-related investments are comprised of the following at December 31, 2020:

Note receivable, interest at 3.51% with quarterly interest and principal payments due through July 2022	$ 190,489
Note receivable, interest at 1.00% with monthly interest and principal payments due through September 2025	129,669
Note receivable, interest at 1.00% with monthly interest and principal payments due through January 2024	112,870
Note receivable, interest at 0.00% with annual principal payments due through December 2021	90,000
	523,028
Less: allowance for doubtful accounts	(433,029)
Total notes receivable – program-related investments, net	$ 89,999

The notes receivable – program-related investments are scheduled to mature as follows for the year ending December 31, 2020:

2021	$ 292,170
2022	105,186
2023	65,711
2024	24,351
2025	35,610
	$ 523,028

(7) Charitable Remainder Trust

The Foundation serves as trustee for a charitable remainder unitrust whose assets will be transferred to the Foundation's Open Door Fund upon the beneficiary's death. Each year of the beneficiary's lifetime the trust must pay to the beneficiary an amount equal to 10% of the net fair market value of the trust assets valued as of the last business day of the first calendar month of each taxable year.

Trust liabilities are recorded using current interest rates and are adjusted annually for the beneficiary's estimated life expectancy. The accompanying consolidated statement of financial position includes estimated liabilities of $63,986 at December 31, 2020.

(8) Property and Equipment

The Foundation's property and equipment consisted of the following at December 31, 2020:

Land	$ 1,000,000
Building	4,007,660
Leasehold improvements	3,001
Office equipment, furniture, and signage	77,836
Software	116,942
	5,205,439
Less accumulated depreciation	(586,897)
Net property and equipment	$ 4,618,542

(9) Assets Held for Others

The Foundation has arrangements with certain not-for-profit organizations (NPOs) whereby an NPO transfers assets to the Foundation and specifies itself as beneficiary. In such cases, the Foundation does not report the receipt of these assets as contributions. Even though the NPO has granted the Foundation variance power, and the Foundation has legal title to the assets, under U.S. generally accepted accounting principles, such transfers are reported by the Foundation as increases in liabilities. Likewise, grant expense and investment income and expense (including unrealized gains or losses) relating to these funds are reported as changes to the liability. Assets held for others totaled $5,294,145 at December 31, 2020.

The table below shows the effects of agency endowments on the Foundation's contribution revenue and grant expense for 2020:

Total contributions received	$ 16,239,034
Less amounts received as agency endowments	(706,207)
Contributions revenue	$ 15,532,827
Total grants made	$ 10,456,277
Less grants made from agency endowments	(122,079)
Grants expense	$ 10,334,198

(10) Notes Payable

In 2016 the Foundation formed 1123 Spruce Street LLC (a special purpose LLC) to acquire an office building in Boulder, Colorado. The Foundation conducts its operations in this building. The $5 million purchase price was financed in part with a bank loan of $2.1 million, a seller loan of $1 million, and a $500,000 internal loan from a donor-advised fund (DAF).

A $2.1 million bank loan was payable over ten years and required principal and interest payments of $11,128 for 119 months and one payment of $1,511,693 due on December 9, 2026. The loan bore interest at a fixed rate of 3.98% for the first 60 months. Thereafter, at the bank's option, the interest rate could be adjusted to the five-year LIBOR swap rate plus 2.15%. The loan was secured by a deed of trust on the property, an assignment of rents, and a blanket lien on Foundation assets. During the term of the loan the Foundation was required to maintain a debt service coverage ratio of 1.0 to 1.0 and unrestricted liquid assets of $1 million at all times measured annually at year end. At December 31, 2020 the Foundation was compliant with these covenants.

A $1 million seller loan required a single principal payment of $1 million on December 9, 2021. Interest accrued at 1.33% and was payable on each anniversary date of the note. The loan was secured by a deed of trust on the property and was subordinated to the bank loan.

The $2.1 million bank loan and the $1 million seller loan were consolidated and refinanced subsequent to year-end on February 26, 2021. This $2.9 million bank loan is payable over seven years and requires principal and interest payments of $13,763 for 83 months and one payment of $2,302,566 due on February 26, 2028. The loan bears interest at a fixed rate of 2.99%. During the term of the loan the Foundation must maintain a debt service coverage ratio of 1.0 to 1.0 based upon operational income/expenses.

In October 2019, the $500,000 DAF loan was amended to reflect an outstanding principal amount of $377,295. The loan is payable over five years and requires interest-only payments for 24 months, interest and principal payments for 36 months, and one payment of $338,779 on November 1, 2024. The loan bears interest at a fixed rate of 1.34% and is secured by a deed of trust on the property.

Future maturities under the refinanced notes (except the internal DAF loan) were as follows as of February 26, 2021:

2021	$ 65,602
2022	80,592
2023	83,069
2024	85,397
2025	88,248
Thereafter	2,489,199
	$ 2,892,107

Total interest incurred on these notes in 2020 was $76,472.

(11) Net Assets with Donor Restrictions

Donor restricted net assets consisted of the following at December 31, 2020:

Contributions receivable	$ 30,000
Remainder interest from charitable remainder trust	62,760
	$ 92,760

Net assets released from donor restrictions during 2020 consisted of $184,600 of cash received against contributions receivable.

(12) Retirement Plan

The Foundation sponsors a 401(k) retirement plan (the Plan), which covers all employees with six consecutive months of service. Employees may elect to defer a portion of their compensation, subject to certain limits. The Plan also provides for a 5% safe-harbor contribution, and discretionary matching and profit-sharing contributions by the Foundation. The Foundation contributed $80,389 in 2020.

(13) Rental Income

The Foundation leases space to lessees under noncancelable operating leases with remaining terms through January 2023. Certain lessees have the option to extend the lease terms with advance notice. Future minimum rental income on noncancelable operating leases as of December 31, 2020 is:

2021	$ 127,277
2022	97,736
2023	6,483
Total future minimum rental income	$ 231,496

(14) Paycheck Protection Program Loan

In April 2020, the Foundation received a $225,009 loan under the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) authorized under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The Foundation recognized contribution revenue totaling $225,009 in 2020 as a result of incurring eligible expenses during the year. The Foundation received forgiveness of the loan from the SBA on November 2, 2020.