

YAMPA VALLEY COMMUNITY FOUNDATION

Financial Statements

December 31, 2018

YAMPA VALLEY COMMUNITY FOUNDATION

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



Independent Auditor's Report

The Board of Trustees
Yampa Valley Community Foundation
Steamboat Springs, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the Yampa Valley Community Foundation, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Yampa Valley Community Foundation as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Financial Information

We have previously audited the Yampa Valley Community Foundation's December 31, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2018. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Catterson + Company, P.C.

Steamboat Springs, Colorado
May 21, 2019

YAMPA VALLEY COMMUNITY FOUNDATION
Statement of Financial Position
December 31, 2018
(with summarized financial information as of December 31, 2017)

	2018	2017
Assets:		
Cash and cash equivalents	\$ 411,054	\$ 415,632
Investments	15,035,015	15,382,465
Beneficial interest in charitable remainder unitrust	618,791	-
Property and equipment, net	4,706	9,019
Other assets	14,026	15,323
	\$ 16,083,592	\$ 15,822,439
Total assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 9,763	\$ 7,599
Assets held for agency funds	1,264,232	1,208,695
	1,273,995	1,216,294
Total liabilities		
Net Assets:		
Without donor restrictions	12,808,457	12,673,918
With donor restrictions	2,001,140	1,932,227
	14,809,597	14,606,145
Total net assets		
Total liabilities and net assets	\$ 16,083,592	\$ 15,822,439

See accompanying notes to financial statements.

YAMPA VALLEY COMMUNITY FOUNDATION
Statements of Activities
For the Year Ended December 31, 2018
(with summarized financial information for the year ended December 31, 2017)

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and Other Support:				
Contributions	\$ 2,475,132	\$ 252,264	\$ 2,727,396	\$ 1,514,689
Passport Club:				
Memberships	\$ 438,851			
Costs and expenses	(330,309)			
Less ski passes and parking privileges contributed	<u>259,878</u>			
Net Passport Club	368,420	-	368,420	381,684
Gain (loss) on investments	(1,098,287)	(181,334)	(1,279,621)	1,740,513
Change in value of beneficial interest in charitable remainder unitrust	(87,543)	-	(87,543)	-
Interest and dividend income	296,488	46,983	343,471	277,085
Net assets released from restrictions	<u>49,000</u>	<u>(49,000)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	2,003,210	68,913	2,072,123	3,913,971
Less revenues applicable to agency funds	<u>(211,338)</u>	<u>-</u>	<u>(211,338)</u>	<u>(340,251)</u>
Net revenues and other support	<u>1,791,872</u>	<u>68,913</u>	<u>1,860,785</u>	<u>3,573,720</u>
Expenses and Distributions:				
Program services:				
Grants awarded	1,207,419	-	1,207,419	1,311,424
Other programs	<u>203,151</u>	<u>-</u>	<u>203,151</u>	<u>193,588</u>
Total program services	1,410,570	-	1,410,570	1,505,012
Management and general	216,916	-	216,916	210,528
Fundraising	<u>29,847</u>	<u>-</u>	<u>29,847</u>	<u>28,306</u>
Total expenses and distributions	<u>1,657,333</u>	<u>-</u>	<u>1,657,333</u>	<u>1,743,846</u>
Change in net assets	134,539	68,913	203,452	1,829,874
Net assets, beginning of year	<u>12,673,918</u>	<u>1,932,227</u>	<u>14,606,145</u>	<u>12,776,271</u>
Net assets, end of year	<u>\$ 12,808,457</u>	<u>\$ 2,001,140</u>	<u>\$ 14,809,597</u>	<u>\$ 14,606,145</u>

See accompanying notes to financial statements.

YAMPA VALLEY COMMUNITY FOUNDATION
Statement of Functional Expenses
For the Year Ended December 31, 2018
(with summarized comparative financial information for the year ended December 31, 2017)

	2018						2017 Total
	Grants Awarded	Program Services Other Programs	Total	Management and General	Fundraising	Total	
Expenses and Distributions:							
Grants awarded	\$ 1,286,022	\$ -	\$ 1,286,022	\$ -	\$ -	\$ 1,286,022	\$ 1,412,515
Agency and other fund disbursements	77,198	-	77,198	-	-	77,198	174,708
Less program services applicable to agency funds	(155,801)	-	(155,801)	-	-	(155,801)	(275,799)
Wages and benefits	-	134,846	134,846	133,736	26,297	294,879	283,654
Rent and janitorial	-	-	-	31,310	-	31,310	31,439
Investment fees	-	41,950	41,950	-	-	41,950	38,434
Professional fees	-	-	-	24,164	-	24,164	23,355
Other expenses	-	22,042	22,042	27,706	3,550	53,298	50,649
Depreciation	-	4,313	4,313	-	-	4,313	4,891
Total expenses and distributions	\$ 1,207,419	\$ 203,151	\$ 1,410,570	\$ 216,916	\$ 29,847	\$ 1,657,333	\$ 1,743,846

See accompanying notes to financial statements.

YAMPA VALLEY COMMUNITY FOUNDATION
Statements of Cash Flows
For the Year Ended December 31, 2018
(with summarized financial information for the year ended December 31, 2017)

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 203,452	\$ 1,829,874
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,313	4,891
Realized and unrealized (gains) losses on investments	1,279,621	(1,740,513)
Realized and unrealized (gains) losses on beneficial interest in charitable remainder unitrust	87,543	-
(Increase) decrease in:		
Other assets	1,297	160
Increase (decrease) in:		
Accounts payable and accrued expenses	2,164	2,798
Assets held for agency funds	55,537	64,452
	1,633,927	161,662
Net cash provided by operating activities	1,633,927	161,662
Cash flows from investing activities:		
Net purchases of investments	(1,638,505)	(281,378)
Net cash provided (used) by investing activities	(1,638,505)	(281,378)
Net change in cash and cash equivalents	(4,578)	(119,716)
Cash and cash equivalents, beginning of year	415,632	535,348
Cash and cash equivalents, end of year	\$ 411,054	\$ 415,632

See accompanying notes to financial statements.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2018
(with summarized financial information as of and for the year ended December 31, 2017)

Note 1: Description of the Foundation

The Yampa Valley Community Foundation (the Foundation) was incorporated as a Colorado not-for-profit corporation for the purpose of providing leadership in raising funds, in partnership with community members, to support innovative programs benefiting the Yampa Valley community. The Foundation serves the communities in Routt and Moffat counties. The Foundation administers more than 160 individual funds, each established with an instrument of gift describing either the general or specific purposes for which grants are to be made. The Foundation is governed by a Board of Trustees composed of members from the service area.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Foundation to report 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 organization. These net assets may be used at the discretion of the Foundation's management and 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 passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased, excluding cash equivalent funds held in the Foundation's investment portfolio, to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Net Asset Classifications for Endowment Funds

The Foundation follows the provisions of "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds." This standard provides guidance on classifying the net assets with donor-restricted endowment funds held by organizations subject to the Uniform Prudent Management of Institutional Funds (UPMIFA) and also requires additional disclosures about endowments for both donor-restricted funds and board-designated funds.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2018
(with summarized financial information as of and for the year ended December 31, 2017)

Note 2: Summary of Significant Accounting Policies (continued)

Net Asset Classifications for Endowment Funds (continued)

The State of Colorado adopted House Bill 08-1173, its enacted version of UPMIFA, effective September 1, 2008. The Board of Trustees has determined that the majority of the Foundation's net assets do not meet the definition of endowment under UPMIFA. The Foundation is governed subject to its articles of incorporation and bylaws and most contributions are subject to the terms of donor advised fund agreements or special fund agreements. These governing documents and donor agreements include a variance provision, giving the Board of Trustees the power to modify or eliminate the use of the endowed funds if any designation, restriction or condition becomes, in effect, unnecessary, undesirable, impractical, incapable of fulfillment or inconsistent with the charitable needs of the Foundation and the community it serves. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

The Foundation has several endowment fund agreements that specifically state the intention of establishing an endowment and meet the definition of endowment under UPMIFA. These funds have been classified as net assets with donor restrictions.

The Board of Trustees of 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. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. None of the Foundation's donor-restricted endowment funds were underwater as of December 31, 2018.

Under the terms of the bylaws and donor advised fund agreements, the Board of Trustees has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute corpus, the Foundation has determined that all contributions received subject to the Foundation's governing documents, terms of endowment fund agreements, and UPMIFA, are classified as net assets with donor restrictions until appropriated, at which time the appropriation is reclassified to net assets without donor restrictions.

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets and is committed to preserving assets for future generations through endowments. The Foundation is responsible to its donors, the nonprofit sector, and the community as a whole to preserve the purchasing power of the endowment assets. The investment policy establishes an achievable return objective through utilization of a globally diverse portfolio including a variety of asset classes. The current long-term return objective is to achieve a rate of return that facilitates a spending policy of 4.5% after administrative expenses of 1% while maintaining the purchasing power of the endowment.

The Foundation's greatest concern for the endowment assets is growth and income. Based on that objective, the primary goal for the investments emphasizes capital appreciation through equities with a secondary emphasis on the production of income through fixed income investments. The target asset allocation of 61% equity, 30% fixed income and 9% alternatives, is designed to achieve the long-term objective at an acceptable level of risk.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2018
(with summarized financial information as of and for the year ended December 31, 2017)

Note 2: Summary of Significant Accounting Policies (continued)

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position and changes in fair value are reported as investment return in the statement of activities.

The Foundation maintains investment pool accounts for its funds. Realized and unrealized gains and losses from securities in the investment pool accounts 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 accounts, as adjusted for additions to or deductions from those accounts.

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.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP established a fair value hierarchy that prioritizes investments based on those assumptions. 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. 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 investments 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.

Beneficial Interest in Charitable Remainder Unitrust

The Foundation is the beneficiary of a charitable remainder unitrust, the assets of which are not in the possession of the Foundation. The Foundation has an irrevocable right to the trust assets and related income. The Foundation's interest in the charitable remainder unitrust was \$618,791 as of December 31, 2018 and was recorded at fair value. During the year ended December 31, 2018, the beneficial interest in the charitable remainder unitrust decreased by \$87,543.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Amounts expended for improvements in excess of \$1,000 which substantially increase the useful life of the fixed assets or to replace property and equipment are capitalized. Maintenance, repairs and minor replacements are expensed as incurred. The capitalized costs of the property and equipment are being depreciated utilizing the straight-line method over the estimated useful lives of 5-7 years.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2018
(with summarized financial information as of and for the year ended December 31, 2017)

Note 2: Summary of Significant Accounting Policies (continued)

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" in the statement of financial position.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions 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 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.

Contributions of assets other than cash are recorded at their estimated fair value as of the date of the gift.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include wages and benefits which are allocated on the basis of estimates of time and effort.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Advertising

The Foundation expenses the costs of advertising when incurred.

Income Taxes

The Foundation is exempt from income tax under Internal Revenue Code (IRC) Section 501(c)(3), though it would be subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by the Code. The Foundation has processes in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

The Foundation's tax returns related to the years December 31, 2015 through 2017 remain open for examination by taxing authorities.

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Foundation's audited financial statements for the year ended December 31, 2017, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the current year presentation.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2018
(with summarized financial information as of and for the year ended December 31, 2017)

Note 2: Summary of Significant Accounting Policies (continued)

New Accounting Pronouncement

The Foundation has implemented FASB Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Note 3: Availability and Liquidity

The following represents the Foundation's financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside by the board of directors for long-term investing in board-designated endowment funds that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either donor-restricted endowments or board-designated endowments for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

Financial assets as of December 31, 2018:	
Cash and cash equivalents	\$ 411,054
Investments	15,035,015
Beneficial interest in charitable unitrust	618,791
	16,064,860
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(2,001,140)
Amounts held for agency funds	(1,264,232)
Board-designated endowment funds	(3,869,615)
Donor-advised funds and other funds, primarily for long-term investing	(8,476,314)
	(12,547,299)
Financial assets available to meet general expenditures, liabilities, and other obligations within one year	\$ 453,559

The Foundation is substantially supported by contributions, both restricted and unrestricted. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management and through the organization's annual budgeting process, six months of operating reserves will be made available for general expenditures, liabilities, and other obligations that come due. The final budget is reviewed and approved by the Foundation's Board of Trustees.

In addition, the Foundation invests cash in excess of daily requirements in short-term investments.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2018
(with summarized financial information as of and for the year ended December 31, 2017)

Note 4: Investments

The following is a summary of investments as of December 31, 2018 and 2017:

	2018			2017
	Level 1	Level 2	Total	Total
Cash and short-term funds	\$ -	\$ 1,170,748	\$ 1,170,748	\$ 915,172
Certificates of deposit	-	350,000	350,000	544,000
Mutual funds:				
Equity funds	8,803,081	-	8,803,081	9,577,209
Fixed income funds	2,009,192	-	2,009,192	1,840,555
Diversified alternative funds	1,520,203	-	1,520,203	1,536,480
Corporate bonds	-	980,925	980,925	969,049
U.S. government securities	-	200,866	200,866	-
	<u>\$ 12,332,476</u>	<u>\$ 2,702,539</u>	<u>\$ 15,035,015</u>	<u>\$ 15,382,465</u>

The composition of investment return, including earnings from agency funds, was as follows for the years ended December 31, 2018 and 2017:

	2018	2017
Interest and dividends	\$ 343,471	\$ 277,085
Net realized gains on investments	570,726	302,512
Net unrealized gains (losses) on investments	<u>(1,850,347)</u>	<u>1,438,001</u>
	<u>\$ (936,150)</u>	<u>\$ 2,017,598</u>

Note 5: Beneficial Interest in Charitable Remainder Unitrust

The following is a summary of investments held in the beneficial interest in charitable remainder unitrust as of December 31, 2018:

	Level 1	Level 2	Total
Cash and short-term funds	\$ -	\$ 68,956	\$ 68,956
Equities	549,835	-	549,835
	<u>\$ 549,835</u>	<u>\$ 68,956</u>	<u>\$ 618,791</u>

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2018
(with summarized financial information as of and for the year ended December 31, 2017)

Note 6: Endowment Funds

Changes in endowment net assets for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Endowment net assets, beginning of year	\$ 6,003,257	\$ 5,140,204
Interest and dividends	134,310	111,904
Net realized and unrealized gains (losses)	(524,448)	723,196
Contributions	427,154	225,610
Amounts appropriated for expenditure	<u>(185,555)</u>	<u>(197,657)</u>
Endowment net assets, end of year	<u>\$ 5,854,718</u>	<u>\$ 6,003,257</u>

Endowment net asset composition by type of fund as of December 31, 2018 and 2017:

Year ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds:			
Board designated	\$ 3,869,615	\$ -	\$ 3,869,615
Field of interest	-	495,389	495,389
Designated	<u>-</u>	<u>1,489,714</u>	<u>1,489,714</u>
Endowment net assets	<u>\$ 3,869,615</u>	<u>\$ 1,985,103</u>	<u>\$ 5,854,718</u>

Year ended December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds:			
Board designated	\$ 4,090,452	\$ -	\$ 4,090,452
Field of interest	-	391,433	391,433
Designated	<u>-</u>	<u>1,521,372</u>	<u>1,521,372</u>
Endowment net assets	<u>\$ 4,090,452</u>	<u>\$ 1,912,805</u>	<u>\$ 6,003,257</u>

YAMPA VALLEY COMMUNITY FOUNDATION

Notes to Financial Statements

December 31, 2018

(with summarized financial information as of and for the year ended December 31, 2017)

Note 7: Property and Equipment, Net

Property and equipment, net consisted of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Leasehold improvements	\$ 91,618	\$ 91,618
Equipment	43,642	43,642
Furniture and fixtures	<u>1,871</u>	<u>1,871</u>
	137,131	137,131
Less: accumulated depreciation	<u>(132,425)</u>	<u>(128,112)</u>
Property and equipment, net	<u>\$ 4,706</u>	<u>\$ 9,019</u>

Note 8: Assets Held for Agency Funds

Funds received under agency agreements are recorded directly to a liability account. Both the assets and the liability have been measured at the fair value of the assets received. Activity in the assets held for agency funds for the years ended December 31, 2018 and 2017 was as follows:

Year ended December 31, 2018

	<u>Fiscal Sponsorship</u>	<u>Non Profit Organization / Endowment</u>	<u>Total Agency Funds</u>
Beginning balance	\$ 60,830	\$ 1,147,865	\$ 1,208,695
Contributions and investment earnings	1,850	209,488	211,338
Disbursements and fees	<u>(11,569)</u>	<u>(144,232)</u>	<u>(155,801)</u>
Ending balance	<u>\$ 51,111</u>	<u>\$ 1,213,121</u>	<u>\$ 1,264,232</u>

Year ended December 31, 2017

	<u>Fiscal Sponsorship</u>	<u>Non Profit Organization / Endowment</u>	<u>Total Agency Funds</u>
Beginning balance	\$ 71,645	\$ 1,072,598	\$ 1,144,243
Contributions and investment earnings	14,755	325,496	340,251
Disbursements and fees	<u>(25,570)</u>	<u>(250,229)</u>	<u>(275,799)</u>
Ending balance	<u>\$ 60,830</u>	<u>\$ 1,147,865</u>	<u>\$ 1,208,695</u>

The Foundation's management periodically reviews its agency fund agreements to determine if changes have occurred from the original intent at the time the funds were established.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2018
(with summarized financial information as of and for the year ended December 31, 2017)

Note 9: Net Assets

Net assets with donor restrictions were as follows as of December 31, 2018 and 2017:

	2018	2017
Donor restricted endowment funds	\$ 1,985,103	\$ 1,912,805
Restricted to a donor specified beneficiary	16,037	19,422
	\$ 2,001,140	\$ 1,932,227

Net assets released from net assets with donor restrictions were as follows:

	2018	2017
Appropriation from donor endowment	\$ 25,100	\$ 45,500
Distribution to donor specified beneficiary	2,000	2,000
Fund management fees	21,900	17,148
	\$ 49,000	\$ 64,648

Note 10: Contributed Goods, Services and Facilities

The Foundation received the following contributed goods, services and facilities during the years ended December 31, 2018 and 2017:

	2018	2017
Ski passes and parking privileges	\$ 259,878	\$ 257,674

The Foundation receives season ski passes and parking privileges from the Steamboat Ski & Resort Corporation at no cost for its Passport Club Program. These season passes and parking privileges are then sold to individuals and businesses with the proceeds going to the Foundation. This amount has been included in revenues and Passport Club expenses in the statement of activities.

Note 11: Lease Commitment

The Foundation entered into a lease agreement for office space through September 30, 2023. Terms of the agreement include a monthly base rent of \$1,913 increasing to \$2,0606 on October 1, 2019 and \$2,208 on October 1, 2021. Additionally, the lease includes a common area maintenance (CAM) assessment currently at \$906 per month. The Foundation has an option to extend the lease for an additional five-year period at escalated rates.

The following is a schedule of future rental payments including CAM at the current rate:

Year ended December 31,	
2019	\$ 34,271
2020	35,596
2021	36,037
2022	37,362
2023	28,021
	\$ 171,287

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2018
(with summarized financial information as of and for the year ended December 31, 2017)

Note 12: Retirement Plan

The Foundation has a SIMPLE IRA retirement plan. The plan allows eligible employees to make contributions up to the annual IRS contribution limit. The plan requires matching contributions equal to 100% of employee salary deferrals up to 3% of employee compensation. The Foundation made matching contributions of \$7,985 and \$6,897 to the plan for the years ended December 31, 2018 and 2017, respectively.

Note 13: Intentions to Give

The Foundation has received indications of gifts in the form of bequests which are revocable during the donors' lifetime or if irrevocable for which a donation amount cannot be determined. Due to the uncertain nature of these intentions, the Foundation has not recognized any assets or contribution revenue for these intended gifts.

Note 14: Commitment

The Foundation's Passport Club Program is supported by the Steamboat Ski and Resort Corporation under an agreement that requires the Steamboat Ski and Resort Corporation to donate ski passes and parking privileges to the Foundation to sell to its Passport Club members. Terms of the agreement also require the Foundation to allocate 40% of the annual net proceeds from the Passport Club Program to the Steamboat Ski and Resort Corporation donor advised funds at the Foundation as recommended by the Steamboat Ski and Resort Corporation.

Note 15: Subsequent Events

The Foundation evaluated subsequent events through May 21, 2019, the date these financial statements were available to be issued.