

**YAMPA VALLEY COMMUNITY FOUNDATION**

Financial Statements

December 31, 2020

# YAMPA VALLEY COMMUNITY FOUNDATION

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## 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, 2020, 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, 2020, 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, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 18, 2020. In our opinion, the summarized comparative financial 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.

*Catterson + Company, P.C.*

Steamboat Springs, Colorado  
May 17, 2021

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Statement of Financial Position**  
**December 31, 2020**  
(w with summarized financial information as of December 31, 2019)

	2020	2019
<b>Assets:</b>		
Cash and cash equivalents	\$ 666,717	\$ 568,256
Investments	27,602,781	20,965,180
Land held for sale	530,000	-
Property and equipment, net	992	2,621
Other assets	9,002	9,427
Total assets	<b>\$ 28,809,492</b>	<b>\$ 21,545,484</b>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 41,202	\$ 11,949
Agency funds held for other organizations	2,356,144	1,778,061
Total liabilities	2,397,346	1,790,010
<b>Net Assets:</b>		
Without donor restrictions	20,215,711	16,325,966
With donor restrictions	6,196,435	3,429,508
Total net assets	26,412,146	19,755,474
Total liabilities and net assets	<b>\$ 28,809,492</b>	<b>\$ 21,545,484</b>

See accompanying notes to financial statements.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Statements of Activities**  
**For the Year Ended December 31, 2020**  
**(with summarized financial information for the year ended December 31, 2019)**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues and Other Support:</b>				
Contributions	\$ 4,382,771	\$ 2,205,492	\$ 6,588,263	\$ 4,012,531
Passport Club:				
Memberships	\$ 480,054			
Costs and expenses	(365,259)			
Less ski passes and parking privileges contributed	<u>295,479</u>			
Net Passport Club	410,274	-	410,274	366,411
Investment return, net of fees	2,852,729	713,563	3,566,292	3,113,301
Net assets released from restrictions	<u>152,128</u>	<u>(152,128)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	7,797,902	2,766,927	10,564,829	7,492,243
Less revenues applicable to agency funds	<u>(863,095)</u>	<u>-</u>	<u>(863,095)</u>	<u>(695,706)</u>
Net revenues and other support	<u>6,934,807</u>	<u>2,766,927</u>	<u>9,701,734</u>	<u>6,796,537</u>
<b>Expenses and Distributions:</b>				
Program services:				
Grants awarded, net	2,436,110	-	2,436,110	1,321,162
Other programs	<u>216,149</u>	<u>-</u>	<u>216,149</u>	<u>256,230</u>
Total program services	2,652,259	-	2,652,259	1,577,392
Management and general	346,522	-	346,522	234,866
Fundraising	<u>46,281</u>	<u>-</u>	<u>46,281</u>	<u>38,402</u>
Total expenses and distributions	<u>3,045,062</u>	<u>-</u>	<u>3,045,062</u>	<u>1,850,660</u>
Change in net assets	3,889,745	2,766,927	6,656,672	4,945,877
Net assets, beginning of year	<u>16,325,966</u>	<u>3,429,508</u>	<u>19,755,474</u>	<u>14,809,597</u>
Net assets, end of year	<u>\$ 20,215,711</u>	<u>\$ 6,196,435</u>	<u>\$ 26,412,146</u>	<u>\$ 19,755,474</u>

See accompanying notes to financial statements.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2020**  
**(with summarized comparative financial information for the year ended December 31, 2019)**

	2020					2019 Total	
	Grants Awarded	Program Services Other Programs	Total	Management and General	Fundraising		Total
<b>Expenses and Distributions:</b>							
Grants awarded	\$ 2,691,712	\$ -	\$ 2,691,712	\$ -	\$ -	\$ 2,691,712	\$ 1,480,611
Agency and other fund disbursements	29,410	-	29,410	-	-	29,410	22,428
Less program services applicable to agency funds	(285,012)	-	(285,012)	-	-	(285,012)	(181,877)
Grants awarded, net	2,436,110	-	2,436,110	-	-	2,436,110	1,321,162
Wages and benefits	-	196,440	196,440	178,246	41,947	416,633	377,721
Occupancy	-	-	-	41,739	-	41,739	35,049
Professional fees	-	-	-	91,158	-	91,158	53,157
Other expenses	-	18,080	18,080	35,379	4,334	57,793	63,864
Depreciation	-	1,629	1,629	-	-	1,629	2,084
<b>Total expenses and distributions</b>	<b>\$ 2,436,110</b>	<b>\$ 216,149</b>	<b>\$ 2,652,259</b>	<b>\$ 346,522</b>	<b>\$ 46,281</b>	<b>\$ 3,045,062</b>	<b>\$ 1,853,037</b>

See accompanying notes to financial statements.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Statements of Cash Flows**  
**For the Year Ended December 31, 2020**  
**(with summarized financial information for the year ended December 31, 2019)**

	2020	2019
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 6,656,672	\$ 4,945,877
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,629	2,084
Realized and unrealized gains on investments	(3,249,584)	(2,752,492)
Land received as contribution	(530,000)	-
(Increase) decrease in:		
Other assets	425	4,599
Increase (decrease) in:		
Accounts payable and accrued expenses	29,253	2,186
Assets held for agency funds	578,083	513,829
	<u>3,486,478</u>	<u>2,716,083</u>
<b>Cash flows from investing activities:</b>		
Net purchases of investments	(3,388,017)	(3,177,672)
Receipt of interest in charitable remainder trust	-	618,791
	<u>(3,388,017)</u>	<u>(2,558,881)</u>
Net cash provided (used) by investing activities		
Net change in cash and cash equivalents	98,461	157,202
Cash and cash equivalents, beginning of year	<u>568,256</u>	<u>411,054</u>
Cash and cash equivalents, end of year	<u>\$ 666,717</u>	<u>\$ 568,256</u>

See accompanying notes to financial statements.



**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2020**  
**(with summarized financial information as of and for the year ended December 31, 2019)**

**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 is dedicated to improving the lives of Routt and Moffat Counties. Our work happens through for programs:

1. We engage donors in meaningful philanthropy.
2. We strengthen and sustain local nonprofits.
3. We deliver impactful grantmaking.
4. We build community.

One of the services we offer to philanthropists is managing and investing in charitable funds on their behalf. We manage almost \$29 million in over 200 donor advised funds, scholarship funds, agency endowments, and other funds which help fuel the charitable investments we and our fundholders make in the region. In 2020, we awarded \$2.5 million to over 200 nonprofits, an increase of 66% over the previous year.

**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 Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by 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 quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2020**  
**(with summarized financial information as of and for the year ended December 31, 2019)**

**Note 2: Summary of Significant Accounting Policies (continued)**

*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 Act (UPMIFA) and also requires additional disclosures about endowments for both donor-restricted funds and board-designated funds.

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, 2020.

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 investment strategy provides diversification across a wide range of asset classes, including alternative assets to manage risk while seeking the best possible returns. Changes in investment allocation and investment vehicles are at the sole discretion of the Foundation’s Board of Trustees per the Foundation’s Investment Policy Statement (IPS).

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2020**  
**(with summarized financial information as of and for the year ended December 31, 2019)**

**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 these risks, 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.

*Land Held for Sale*

Periodically, the Foundation will receive donations of land. As of December 31, 2020, land held for sale represents a residential vacant lot of land that management expects to be sold within one year and is recorded at fair value at the date of gift less expected costs to sell. Land held for sale as of December 31, 2020 was valued at \$530,000.

*Property and Equipment, Net*

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 assets or to replace property and equipment are capitalized. 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.

*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 "Agency funds held for other organizations" in the statement of financial position.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2020**  
**(with summarized financial information as of and for the year ended December 31, 2019)**

**Note 2: Summary of Significant Accounting Policies (continued)**

*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.

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.

*Income Taxes*

The Foundation is exempt from income tax under Internal Revenue Code (the Code) 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, 2017 through 2019 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, 2019, 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, 2020**

**(with summarized financial information as of and for the year ended December 31, 2019)**

**Note 3: Availability and Liquidity**

The following represents the Foundation's financial assets as of December 31, 2020, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions. 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, 2020:	
Cash and cash equivalents	\$ 666,717
Investments	<u>27,602,781</u>
	28,269,498
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(6,196,435)
Amounts held for agency funds	(2,356,144)
Board-designated endowment funds	(5,562,885)
Donor-advised funds and other funds, primarily for long-term investing	<u>(13,646,428)</u>
Unrestricted financial assets available to meet general expenditures and liabilities within one year	<u><u>\$ 507,606</u></u>

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.

**Note 4: Investments**

The following is a summary of investments as of December 31, 2020 and 2019:

	2020			2019
	Level 1	Level 2	Total	Total
Cash and short-term funds	\$ -	\$ 660,048	\$ 660,048	\$ 2,619,459
Certificates of deposit	-	-	-	150,000
Mutual funds:				
Equity funds	20,750,598	-	20,750,598	10,844,823
Fixed income funds	4,484,056	-	4,484,056	3,594,406
Diversified alternative funds	-	-	-	1,501,944
Equities	508,535	-	508,535	1,162,603
Corporate bonds	-	-	-	1,091,945
U.S. Treasury securities	-	1,199,544	1,199,544	-
	<u>\$ 25,743,189</u>	<u>\$ 1,859,592</u>	<u>\$ 27,602,781</u>	<u>\$ 20,965,180</u>

**YAMPA VALLEY COMMUNITY FOUNDATION**

**Notes to Financial Statements**

**December 31, 2020**

**(with summarized financial information as of and for the year ended December 31, 2019)**

**Note 5: Endowment Funds**

Changes in endowment net assets for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Endowment net assets, beginning of year	\$ 8,151,700	\$ 5,854,718
Interest and dividends	150,737	156,723
Net realized and unrealized gains, net of fees	1,297,242	1,039,933
Contributions	1,842,877	1,326,983
Amounts appropriated for expenditure	<u>(328,815)</u>	<u>(226,657)</u>
Endowment net assets, end of year	<u>\$ 11,113,741</u>	<u>\$ 8,151,700</u>

Endowment net asset composition by type of fund as of December 31, 2020 and 2019:

*Year ended December 31, 2020*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds:			
Board designated	\$ 5,562,885	\$ -	\$ 5,562,885
Field of interest	-	645,953	645,953
Designated	<u>-</u>	<u>4,904,903</u>	<u>4,904,903</u>
Endowment net assets	<u>\$ 5,562,885</u>	<u>\$ 5,550,856</u>	<u>\$ 11,113,741</u>

*Year ended December 31, 2019*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds:			
Board designated	\$ 4,739,047	\$ -	\$ 4,739,047
Field of interest	-	404,945	404,945
Designated	<u>-</u>	<u>3,007,708</u>	<u>3,007,708</u>
Endowment net assets	<u>\$ 4,739,047</u>	<u>\$ 3,412,653</u>	<u>\$ 8,151,700</u>

**Note 6: Property and Equipment, Net**

Property and equipment, net consisted of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</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>(136,139)</u>	<u>(134,510)</u>
Property and equipment, net	<u>\$ 992</u>	<u>\$ 2,621</u>

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2020**  
(with summarized financial information as of and for the year ended December 31, 2019)

**Note 7: Agency Funds Held for Other Organizations**

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, 2020 and 2019 was as follows:

*Year ended December 31, 2020*

	Fiscal Sponsorship	Non Profit Organization / Endowment	Total Agency Funds
Beginning balance	\$ 53,529	\$ 1,724,532	\$ 1,778,061
Contributions and investment earnings	4,897	858,198	863,095
Disbursements and fees	(2,683)	(282,329)	(285,012)
Ending balance	<u>\$ 55,743</u>	<u>\$ 2,300,401</u>	<u>\$ 2,356,144</u>

*Year ended December 31, 2019*

	Fiscal Sponsorship	Non Profit Organization / Endowment	Total Agency Funds
Beginning balance	\$ 51,111	\$ 1,213,121	\$ 1,264,232
Contributions and investment earnings	7,900	687,806	695,706
Disbursements and fees	(5,482)	(176,395)	(181,877)
Ending balance	<u>\$ 53,529</u>	<u>\$ 1,724,532</u>	<u>\$ 1,778,061</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.

**Note 8: Net Assets With Donor Restrictions**

Net assets with donor restrictions were as follows as of December 31, 2020 and 2019:

	2020	2019
Donor restricted endowment funds	\$ 5,550,856	\$ 3,412,653
Purpose restricted funds	645,579	16,855
	<u>\$ 6,196,435</u>	<u>\$ 3,429,508</u>

Net assets released from net assets with donor restrictions were as follows for the year ended December 31, 2020:

Appropriation from donor endowment	\$ 150,128
Distribution to donor specified beneficiary	2,000
	<u>\$ 152,128</u>

**YAMPA VALLEY COMMUNITY FOUNDATION**

**Notes to Financial Statements**

**December 31, 2020**

**(with summarized financial information as of and for the year ended December 31, 2019)**

**Note 9: Contributed Goods and Services**

The Foundation received the following contributed goods and services during the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Ski passes and parking privileges	<u>\$ 295,479</u>	<u>\$ 288,477</u>

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 10: 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 \$2,060 on October 1, 2019 and \$2,208 on October 1, 2021. Additionally, the lease includes a common area maintenance (CAM) assessment currently at \$1,079 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,	
2021	\$ 36,027
2022	37,351
2023	<u>28,013</u>
	<u>\$ 101,391</u>

**Note 11: 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 \$9,028 and \$10,649 to the plan for the years ended December 31, 2020 and 2019, respectively.

**Note 12: 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 reasonably be determined. Due to the uncertain nature of these intentions, the Foundation has not recognized any assets or contribution revenue for these intended gifts.



**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2020**  
**(with summarized financial information as of and for the year ended December 31, 2019)**

**Note 13: Commitment**

The Foundation's Passport Club Program is supported by the Steamboat Ski and Resort Corporation (SSRC) under an agreement that requires the SSRC 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 SSRC donor advised funds at the Foundation as recommended by the SSRC. In over 23 years, the Passport Club Program has generated over \$7M. These contributions have provided grants and scholarships into the community and supported the operations of the Foundation. The current Passport Club Program agreement expires April 30, 2022. The Foundation is currently in discussions with SSRC to renew the program for future years.

**Note 14: Year in Review**

2020 will be remembered as the year our community and the world were turned upside down due to the COVID-19 Pandemic. However, the Foundation through the support of its donors, Board of Trustees, committee members and other stakeholders worked tirelessly to meet the needs of the community and the nonprofits it serves. We are proud of the following accomplishments in response to or despite the pandemic:

- COVID-19 Emergency Fund – In March, the Foundation quickly stood up the COVID-19 Emergency Fund. This fund served as a vehicle for accepting donations and enabled rapid direction of those funds to where they were most needed. In total, the fund received donations from over 300 individuals and awarded 51 grants totaling \$399,694. The grants were directed to nonprofit organizations on the front lines of COVID-19 prevention, containment and response, and were specifically aimed at supporting the Yampa Valley region's most vulnerable and impacted populations.
- Operational Responses. In a very short period of time, the Foundation implemented new systems and processes to move from a local sever to the cloud, thus enabling staff to work remotely. In addition, the Foundation completed a transition to a new cloud based accounting system, going live in April.
- Executive Director. The Board of Trustees completed their search for a new Executive Director in March and in May, with staff providing the on-boarding, that person began working full-time at the Foundation.
- The Foundation applied for and received \$68,900 in a U.S. Small Business Administration Payroll Protection Program (PPP) loan to offset payroll costs. The entire staff was retained with no loss of income or benefits. The loan was forgiven at the end of 2020 and the funds will be recognized as income in the statement of activities and on the Foundation's Form 990.

**Note 15: Subsequent Events**

The Foundation evaluated subsequent events through May 17, 2021, the date these financial statements were available to be issued.