

YAMPA VALLEY COMMUNITY FOUNDATION

Financial Statements

December 31, 2021

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 Audit of the Financial Statements

Opinion

We have audited the financial statements of the Yampa Valley Community Foundation (the Foundation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Yampa Valley Community Foundation as of December 31, 2021, 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 (GAAP).

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Financial Information

We have previously audited the Foundation's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 17, 2021. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Steamboat Springs, Colorado
May 13, 2022

YAMPA VALLEY COMMUNITY FOUNDATION
Statement of Financial Position
December 31, 2021
(with summarized financial information as of December 31, 2020)

	2021	2020
Assets:		
Cash and cash equivalents	\$ 815,667	\$ 666,717
Investments	35,378,618	16,489,040
Land held for sale	-	530,000
Other assets	15,659	9,002
Property and equipment, net	11,346	992
Endowment funds	15,630,195	11,113,741
Total assets	\$ 51,851,485	\$ 28,809,492
Liabilities:		
Accounts payable and accrued expenses	\$ 34,144	\$ 41,202
Agency funds held for other organizations	3,713,409	2,356,144
Total liabilities	3,747,553	2,397,346
Net Assets:		
Without donor restrictions	38,946,611	20,215,711
With donor restrictions	9,157,321	6,196,435
Total net assets	48,103,932	26,412,146
Total liabilities and net assets	\$ 51,851,485	\$ 28,809,492

See accompanying notes to financial statements.

YAMPA VALLEY COMMUNITY FOUNDATION
Statements of Activities
For the Year Ended December 31, 2021
(with summarized financial information for the year ended December 31, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and Other Support:				
Contributions	\$ 26,517,997	\$ 2,932,760	\$ 29,450,757	\$ 6,588,263
Passport Club:				
Memberships	\$ 518,701			
Costs and expenses	(367,290)			
Less ski passes and parking privileges contributed	<u>305,082</u>			
Net Passport Club	456,493	-	456,493	410,274
Investment return, net of fees	3,293,601	856,254	4,149,855	3,566,292
Net assets released from restrictions	<u>828,128</u>	<u>(828,128)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	31,096,219	2,960,886	34,057,105	10,564,829
Less revenues applicable to agency funds	<u>(1,834,030)</u>	<u>-</u>	<u>(1,834,030)</u>	<u>(863,095)</u>
Net revenues and other support	<u>29,262,189</u>	<u>2,960,886</u>	<u>32,223,075</u>	<u>9,701,734</u>
Expenses and Distributions:				
Program services:				
Grants awarded, net	9,844,962	-	9,844,962	2,436,110
Other programs	<u>296,760</u>	<u>-</u>	<u>296,760</u>	<u>216,149</u>
Total program services	10,141,722	-	10,141,722	2,652,259
Management and general	331,350	-	331,350	346,522
Fundraising	<u>58,217</u>	<u>-</u>	<u>58,217</u>	<u>46,281</u>
Total expenses and distributions	<u>10,531,289</u>	<u>-</u>	<u>10,531,289</u>	<u>3,045,062</u>
Change in net assets	18,730,900	2,960,886	21,691,786	6,656,672
Net assets, beginning of year	<u>20,215,711</u>	<u>6,196,435</u>	<u>26,412,146</u>	<u>19,755,474</u>
Net assets, end of year	<u>\$ 38,946,611</u>	<u>\$ 9,157,321</u>	<u>\$ 48,103,932</u>	<u>\$ 26,412,146</u>

See accompanying notes to financial statements.

YAMPA VALLEY COMMUNITY FOUNDATION
Statement of Functional Expenses
For the Year Ended December 31, 2021
(with summarized comparative financial information for the year ended December 31, 2020)

	2021					2020 Total	
	Grants Awarded	Other Programs	Total	Management and General	Fundraising		Total
Expenses and Distributions:							
Grants awarded	\$ 10,302,178	\$ -	\$ 10,302,178	\$ -	\$ -	\$ 10,302,178	\$ 2,691,712
Agency and other fund disbursements	19,549	-	19,549	-	-	19,549	29,410
Less program services applicable to agency funds	(476,765)	-	(476,765)	-	-	(476,765)	(285,012)
Grants awarded, net	9,844,962	-	9,844,962	-	-	9,844,962	2,436,110
Wages and benefits	-	238,197	238,197	207,716	53,868	499,781	416,633
Occupancy	-	-	-	47,185	-	47,185	41,739
Professional fees	-	-	-	35,297	-	35,297	91,158
Other expenses	-	57,571	57,571	41,152	4,349	103,072	57,793
Depreciation	-	992	992	-	-	992	1,629
Total expenses and distributions	\$ 9,844,962	\$ 296,760	\$ 10,141,722	\$ 331,350	\$ 58,217	\$ 10,531,289	\$ 3,045,062

See accompanying notes to financial statements.

YAMPA VALLEY COMMUNITY FOUNDATION
Statements of Cash Flows
For the Year Ended December 31, 2021
(with summarized financial information for the year ended December 31, 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 21,691,786	\$ 6,656,672
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	992	1,629
Realized and unrealized gains on investments	(3,776,782)	(3,249,584)
Land received as contribution	-	(530,000)
(Increase) decrease in:		
Land held for sale	530,000	-
Other assets	(6,657)	425
Increase (decrease) in:		
Accounts payable and accrued expenses	(7,058)	29,253
Assets held for agency funds	1,357,265	578,083
	19,789,546	3,486,478
Net cash provided by operating activities	19,789,546	3,486,478
Cash flows from investing activities:		
Net purchases of investments	(19,629,250)	(3,388,017)
Cash paid for building design costs	(11,346)	-
	(19,640,596)	(3,388,017)
Net cash provided (used) by investing activities	(19,640,596)	(3,388,017)
Net change in cash and cash equivalents	148,950	98,461
Cash and cash equivalents, beginning of year	666,717	568,256
Cash and cash equivalents, end of year	\$ 815,667	\$ 666,717

See accompanying notes to financial statements.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of and for the year ended December 31, 2020)

Note 1: Description of the Foundation

The Yampa Valley Community Foundation (the Foundation) was incorporated as a Colorado not-for-profit corporation to provide 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 four 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 \$50 million in over 220 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 2021, we awarded \$4.1 million to over 200 nonprofits, an increase of 64% over the previous year, not including two significant and on-time grants totaling \$30 million.

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 (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, 2021
(with summarized financial information as of and for the year ended December 31, 2020)

Note 2: Summary of Significant Accounting Policies (continued)

Net Asset Classifications for Endowment Funds

The Foundation is subject to the Uniform Prudent Management of Institution Funds Act (UPMIFA) as enacted by the State of Colorado upon adoption of House Bill 08-1173, 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, 2021.

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, 2021
(with summarized financial information as of and for the year ended December 31, 2020)

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. 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.

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.

Agency Funds Held for Other Organizations

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, 2021
(with summarized financial information as of and for the year ended December 31, 2020)

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 are reported on a functional basis in the statement of activities and statement of functional expenses. Expenses which are directly identifiable with a specific program or supporting function are charged directly to the appropriate functional category. Expenses which apply to more than one functional category have been allocated among program services, management and general, and fundraising based on the estimated time spent on these functions by Foundation employees.

The expenses that are allocated primarily include wages and benefits.

Use of Estimates

The preparation of financial statements in conformity with 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, 2018 through 2020 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 GAAP. Accordingly, such information should be read in conjunction with the Foundation's audited financial statements for the year ended December 31, 2020, 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, 2021
(with summarized financial information as of and for the year ended December 31, 2020)

Note 3: Availability and Liquidity

The following represents the Foundation's financial assets as of December 31, 2021, 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.

Cash and cash equivalents	\$	815,667
Investments		35,378,618
Endowment funds		<u>15,630,195</u>
		51,824,480
Less amounts not available to be used within one year:		
Net assets with donor restrictions		(9,157,321)
Amounts held for agency funds		(3,713,409)
Board-designated endowment funds		(6,723,407)
Donor-advised funds and other funds, primarily for long-term investing		<u>(31,385,527)</u>
Unrestricted financial assets available to meet general expenditures and liabilities within one year		
	\$	<u><u>844,816</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, 2021 and 2020:

	2021	2020
Cash and short-term funds	\$ 3,069,122	\$ 660,048
Mutual funds:		
Equity funds	39,209,494	20,750,598
Fixed income funds	8,156,507	4,484,056
Equities	573,690	508,535
U.S. Treasury securities	-	<u>1,199,544</u>
	<u>\$ 51,008,813</u>	<u>\$ 27,602,781</u>

All investments held as of December 31, 2021 were classified within Level 1 of the fair value hierarchy.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of and for the year ended December 31, 2020)

Note 5: Endowment Funds

Changes in endowment net assets for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Endowment net assets, beginning of year	\$ 11,113,741	\$ 8,151,700
Investment return, net of fees	1,623,057	1,447,979
Contributions	3,342,079	1,842,877
Amounts appropriated for expenditure	<u>(448,682)</u>	<u>(328,815)</u>
Endowment net assets, end of year	<u>\$ 15,630,195</u>	<u>\$ 11,113,741</u>

Endowment net asset composition by type of fund as of December 31, 2021 and 2020:

Year ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds:			
Board designated	\$ 6,723,407	\$ -	\$ 6,723,407
Field of interest	-	771,574	771,574
Designated	<u>-</u>	<u>8,135,214</u>	<u>8,135,214</u>
Endowment net assets	<u>\$ 6,723,407</u>	<u>\$ 8,906,788</u>	<u>\$ 15,630,195</u>

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>

Note 6: Property and Equipment, Net

Property and equipment, net consisted of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 91,618	\$ 91,618
Equipment	43,642	43,642
Furniture and fixtures	1,871	1,871
Building design costs	<u>11,346</u>	<u>-</u>
	148,477	137,131
Less: accumulated depreciation	<u>(137,131)</u>	<u>(136,139)</u>
Property and equipment, net	<u>\$ 11,346</u>	<u>\$ 992</u>

YAMPA VALLEY COMMUNITY FOUNDATION

Notes to Financial Statements

December 31, 2021

(with summarized financial information as of and for the year ended December 31, 2020)

Note 7: Agency Transactions

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, 2021 and 2020 was as follows:

Year ended December 31, 2021

	Fiscal Sponsorship	Non Profit Organization / Endowment	Total Agency Funds
Beginning balance	\$ 55,743	\$ 2,300,401	\$ 2,356,144
Contributions and investment return	13,124	1,820,906	1,834,030
Disbursements	(10,628)	(466,137)	(476,765)
Ending balance	\$ 58,239	\$ 3,655,170	\$ 3,713,409

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 return	4,897	858,198	863,095
Disbursements	(2,683)	(282,329)	(285,012)
Ending balance	\$ 55,743	\$ 2,300,401	\$ 2,356,144

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.

The Foundation also acts as an intermediary on certain receipts from resource providers in which the Foundation does not have discretion to choose the beneficiary. The Foundation does not recognize revenue or expense from these transactions. Funds received and disbursed as an intermediary during the years ended December 31, 2021 and 2020 were \$24,185,705 and \$297,165, respectively.

Note 8: Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows as of December 31, 2021 and 2020:

	2021	2020
Donor restricted endowment funds	\$ 8,906,788	\$ 5,550,856
Purpose restricted funds	250,533	645,579
	\$ 9,157,321	\$ 6,196,435

Net assets released from net assets with donor restrictions were as follows for the year ended December 31, 2021:

Appropriation from donor endowment	\$ 347,674
Distribution to donor specified beneficiaries	469,108
Building design costs	11,346
	\$ 828,128

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of and for the year ended December 31, 2020)

Note 9: Contributed Goods and Services

The Foundation received the following contributed goods and services during the years ended December 31, 2021 and 2020:

	2021	2020
Ski passes and parking privileges	\$ 305,082	\$ 295,479

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: Concentration of Revenue Source

The Foundation received approximately 62% of its net revenue and support for the year ended December 31, 2021 from one donor.

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 \$2,060 on October 1, 2019 and \$2,208 on October 1, 2021. Additionally, the lease includes a common area maintenance (CAM) assessment currently at \$1,309 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,				
2022	\$	44,130		
2023		33,098		
	\$	77,228		

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 \$12,012 and \$9,028 to the plan for the years ended December 31, 2021 and 2020, 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 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.

Note 14: 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 25 years, the Passport Club Program has generated over \$8M. 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.

YAMPA VALLEY COMMUNITY FOUNDATION
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of and for the year ended December 31, 2020)

Note 15: Year in Review

The Foundation made significant contributions to our Yampa Valley community in 2021:

- Regular grantmaking increased by 64% over 2020 to \$4.1 million. In addition, we made two unusual grants totaling \$30 million to support affordable housing in Routt County.
- Our work on improving nonprofit effectiveness included training in developing a planned giving program and the role of endowments in legacy giving, nonprofit board trainings, and tools for improving donor tracking and financial management.
- The Board of Trustees initiated a study examining the feasibility of raising the money to build a new office for the Foundation. In November 2021, the Board approved the construction budget, timeline, and proposed capital campaign for the project.
- The Foundation continued its effort to raise community awareness of the key issues impacting the quality of life of the Yampa Valley region. We held two well-attended sessions in 2021 – an examination of the challenges related to local youth success, and a look at the unique communities that make up our larger Yampa Valley region, what makes those communities unique, and the values we share across the region.

Note 16: Subsequent Events

In March 2022, a real estate lot located in downtown Steamboat Springs was donated to the Foundation to be used as the site of the Foundation's new office building.

The capital campaign approved by the Board is well underway and we are confident we will reach our campaign goal by summer, when groundbreaking is expected to take place.

The Foundation evaluated subsequent events through May 13, 2022, the date these financial statements were available to be issued.