

**YAMPA VALLEY COMMUNITY FOUNDATION**

Financial Statements

December 31, 2023

# 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, 2023, 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, 2023, 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, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 12, 2023. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Steamboat Springs, Colorado  
May 6, 2024

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Statement of Financial Position**  
**December 31, 2023**  
(with summarized financial information as of December 31, 2022)

	2023	2022
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,015,127	\$ 1,111,113
Investments:		
Operating	47,533,197	39,062,278
Endowment funds	15,010,196	12,869,828
Other assets	41,674	5,569
Capital campaign promises to give, net	100,508	558,932
Note receivable	1,514,072	-
Property and equipment, net	3,647,006	1,649,210
 Total assets	 \$ 68,861,780	 \$ 55,256,930
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 374,790	\$ 49,542
Agency funds held for other organizations	5,114,629	3,960,163
 Total liabilities	 5,489,419	 4,009,705
<b>Net Assets:</b>		
Without donor restrictions	54,044,722	40,716,807
With donor restrictions	9,327,639	10,530,418
 Total net assets	 63,372,361	 51,247,225
 Total liabilities and net assets	 \$ 68,861,780	 \$ 55,256,930

See accompanying notes to financial statements.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**  
**(with summarized financial information for the year ended December 31, 2022)**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Operating Revenues and Other Support:</b>				
Contributions	\$ 12,983,173	\$ 225,425	\$ 13,208,598	\$ 15,497,202
Less: pass through contributions	(872,889)	-	(872,889)	(878,977)
Passport Club memberships	600,000	-	600,000	520,000
Contributed ski passes and parking privileges	-	-	-	333,679
Investment return, net of fees	6,997,626	1,179,117	8,176,743	(8,118,621)
Net assets released from restrictions	162,789	(162,789)	-	-
Total revenues and other support	19,870,699	1,241,753	21,112,452	7,353,283
Less: revenues applicable to agency funds	(1,716,205)	-	(1,716,205)	(1,515,895)
Net operating revenues and other support	18,154,494	1,241,753	19,396,247	5,837,388
<b>Operating Expenses and Distributions:</b>				
Program services:				
Grants awarded, net	5,906,442	-	5,906,442	5,396,720
Other programs	834,803	-	834,803	730,121
Total program services	6,741,245	-	6,741,245	6,126,841
Management and general	482,476	-	482,476	418,093
Fundraising	73,415	-	73,415	64,596
Total operating expenses and distributions	7,297,136	-	7,297,136	6,609,530
Change in net assets - operating activities	10,857,358	1,241,753	12,099,111	(772,142)
<b>Nonoperating activities:</b>				
Capital campaign contributions	-	26,025	26,025	2,454,284
Interfund capital campaign contributions	(17,500)	17,500	-	-
Contribution of land	-	-	-	805,000
Net assets released from restrictions	2,488,057	(2,488,057)	-	-
Change in net assets - operating activities	2,470,557	(2,444,532)	26,025	3,259,284
Change in net assets	13,327,915	(1,202,779)	12,125,136	2,487,142
Reclassify agency funds to net assets	-	-	-	656,151
Net assets, beginning of year	40,716,807	10,530,418	51,247,225	48,103,932
Net assets, end of year	<u>\$ 54,044,722</u>	<u>\$ 9,327,639</u>	<u>\$ 63,372,361</u>	<u>\$ 51,247,225</u>

See accompanying notes to financial statements.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2023**  
**(with summarized comparative financial information for the year ended December 31, 2022)**

	2023						2022 Total
	Program Services			Management and General	Fundraising	Total	
	Grants Awarded	Other Programs	Total				
<b>Expenses and Distributions:</b>							
Grants awarded	\$ 7,264,965	\$ -	\$ 7,264,965	\$ -	\$ -	\$ 7,264,965	\$ 6,853,612
Less: pass through grants	(872,889)	-	(872,889)	-	-	(872,889)	(878,977)
Agency and other fund disbursements	76,105	-	76,105	-	-	76,105	35,076
Less program services applicable to agency funds	(561,739)	-	(561,739)	-	-	(561,739)	(612,991)
Grants awarded, net	5,906,442	-	5,906,442	-	-	5,906,442	5,396,720
Passport Club program	-	460,548	460,548	-	-	460,548	401,930
Wages and benefits	-	305,194	305,194	290,821	70,347	666,362	591,584
Occupancy	-	-	-	50,655	-	50,655	53,822
Professional fees	-	-	-	41,892	-	41,892	42,109
Other expenses	-	53,836	53,836	99,108	3,068	156,012	123,365
Depreciation	-	15,225	15,225	-	-	15,225	-
<b>Total expenses and distributions</b>	<b>\$ 5,906,442</b>	<b>\$ 834,803</b>	<b>\$ 6,741,245</b>	<b>\$ 482,476</b>	<b>\$ 73,415</b>	<b>\$ 7,297,136</b>	<b>\$ 6,609,530</b>

See accompanying notes to financial statements.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**  
**(with summarized financial information for the year ended December 31, 2022)**

	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets - operating activities	\$ 12,099,111	\$ (772,142)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,225	-
Realized and unrealized (gains) losses on investments	(6,196,561)	9,437,247
(Increase) decrease in:		
Other assets	(36,105)	10,090
Increase (decrease) in:		
Accounts payable and accrued expenses	325,248	15,398
Assets held for agency funds	1,154,466	246,754
	7,361,384	8,937,347
<b>Cash flows from investing activities:</b>		
Net sales (purchases) of investments	(4,414,726)	(10,360,540)
Cash paid for building construction	(2,013,021)	(832,864)
Issuance of notes receivable	(1,514,072)	-
Reclassification of agency funds	-	656,151
	(7,941,819)	(10,537,253)
<b>Cash flows from financing activities:</b>		
Capital campaign contributions received	20,759	1,895,352
Capital campaign pledge payments received	463,690	-
	484,449	1,895,352
Net cash provided by financing activities	484,449	1,895,352
Net change in cash and cash equivalents	(95,986)	295,446
Cash and cash equivalents, beginning of year	1,111,113	815,667
Cash and cash equivalents, end of year	\$ 1,015,127	\$ 1,111,113

See accompanying notes to financial statements.



**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of and for the year ended December 31, 2022)

**Note 1: Description of the Foundation**

The Yampa Valley Community Foundation (the Foundation) is a Colorado not-for-profit corporation. The Foundation's mission is leading transformational change throughout the Yampa Valley by engaging donors in purposeful philanthropy, empowering local nonprofit organizations, inspiring impactful grantmaking, and collaborating to build vibrant communities.

The Foundation is dedicated to improving the lives of Routt and Moffat Counties' community members. 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 over \$68 million in over 240 donor advised funds, scholarship funds, agency endowments, and other funds which help fuel the charitable investments we and our fundholders make in the region.

**Note 2: Summary of Significant Accounting Policies**

*Basis of Presentation*

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The accounting policies of the Foundation have been designed to conform to GAAP as applicable to not-for-profit organizations.

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Without donor restrictions: Net assets that are not subject to donor-imposed stipulations.

With donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

*Cash and Cash Equivalents*

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

*Concentration of Credit Risk*

Financial instruments that potentially subject the Foundation to concentration of credit risk consists 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.

*Investments*

Investments are carried at fair value, with changes in fair value being recorded 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.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of and for the year ended December 31, 2022)

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

*Fair Value of Financial Instruments*

The Foundation's financial instruments include cash and cash equivalents and promises to give. The Foundation estimates that the fair value of all financial instruments as of December 31, 2023 and 2022 does not differ materially from the aggregate carrying values of its financial instruments recorded in the statement of financial position. The carrying amount of these financial instruments approximates fair value because of the short maturity dates of these instruments.

*Property and Equipment, Net*

Property and equipment are stated at cost at the date of acquisition or fair value if acquired through donation. The Foundation capitalizes expenditures for property and equipment more than \$1,000. Depreciation is calculated using the straight-line method over the applicable estimated useful lives.

*Fair Value Measurements*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of observable inputs. The three levels of inputs used to measure fair value are as follows:

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

Level 2 – Inputs other than quoted market prices that are observable for the asset/liability, either directly or indirectly.

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

*Capital Campaign Promises to Give, Net*

Unconditional capital campaign promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional capital campaign promises to give in more than one year are recorded at the present value of the expected future cash flows. Management has reviewed all relevant available information and an analysis of the collectability of promises to give and determined that no allowance for uncollectible promises to give is necessary as of December 31, 2023.

*Endowment Net Assets*

The State of Colorado has adopted the Uniform Prudent Management of Institution Funds Act (UPMIFA). 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.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of and for the year ended December 31, 2022)

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

*Endowment Net Assets (continued)*

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.

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.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in one donor-restricted endowment fund, which has an original gift value of \$429,129, a current fair value of \$420,564, and a deficiency of \$8,565 as of December 31, 2023. This deficiency resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions to the donor-restricted endowment.

*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 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).

*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.

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, 2023**  
(with summarized financial information as of and for the year ended December 31, 2022)

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

*Revenue Recognition*

Contributions

Contributions are recognized when cash, securities or other assets and unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend are substantially met. Payments received in advance of the conditions being met are recorded as refundable advances in the statement of financial position.

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. 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 as net assets released from restrictions in the statement of activities.

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

Passport Club Memberships

Passport Club memberships revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference.

*Functional Allocation of Expenses*

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The Foundation incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Foundation also incurs expenses that are attributable to more than one function. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on consistent basis among program and supporting services benefited.

The expenses allocated primarily include wages and benefits that are based on estimates of time and effort incurred by personnel.

*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.

*Tax Status*

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Foundation qualifies for the charitable contribution deduction. Income from activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income during 2023.

The Foundation is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress. The three previous tax years remain subject to examination by the IRS.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of and for the year ended December 31, 2022)

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

*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, 2022, from which the summarized information was derived.

Certain prior year amounts have been reclassified to conform to the current year presentation.

**Note 3: Liquidity and Availability of Financial Assets**

The following represents the Foundation's financial assets as of December 31, 2023, 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 Trustees 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		\$ 1,015,127
Investments		47,533,197
Endowment funds		15,010,196
Capital campaign promises to give, net		<u>100,508</u>
		63,659,028
Less amounts not available to be used within one year:		
Net assets with donor restrictions		(9,327,639)
Amounts held for agency funds		(5,114,629)
Board-designated endowment funds		(6,324,507)
Donor-advised funds and other funds, primarily for long-term investing		<u>(41,293,556)</u>
Unrestricted financial assets available to meet general expenditures and liabilities within one year		<u>\$ 1,598,697</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.

**YAMPA VALLEY COMMUNITY FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of and for the year ended December 31, 2022)

**Note 4: Investments**

The following is a summary of investments as of December 31, 2023 and 2022:

	2023			
	Level 1	Level 2	Level 3	Total
Cash and short-term funds	\$ 5,294,385	\$ -	\$ -	\$ 5,294,385
Mutual funds:				
Equity funds	42,598,839	-	-	42,598,839
Fixed income funds	12,334,778	-	-	12,334,778
Equities	443,833	-	-	443,833
Limited partnerships	-	-	1,871,558	1,871,558
	\$ 60,671,835	\$ -	\$ 1,871,558	\$ 62,543,393
	2022			
	Level 1	Level 2	Level 3	Total
Cash and short-term funds	\$ 4,249,939	\$ -	\$ -	\$ 4,249,939
Mutual funds:				
Equity funds	39,411,666	-	-	39,411,666
Fixed income funds	5,411,431	-	-	5,411,431
Equities	426,100	-	-	426,100
U.S. Treasury notes	-	992,970	-	992,970
Limited partnership	-	-	1,440,000	1,440,000
	\$ 49,499,136	\$ 992,970	\$ 1,440,000	\$ 51,932,106

The fair value of investments in short-term funds, equity mutual funds, fixed income funds, and equity securities, traded on national exchanges is valued at the closing price on the last business day of the year.

For the investment in limited partnerships, the Foundation takes into consideration information received from the partnership, including their financial statements, issues related to liquidity or redemption requirements and other pertinent information that impacts the fair value determination.

The changes in investment in limited partnerships for which the Foundation has used Level 3 inputs to determine fair value are as follows:

	2023	2022
Beginning balance	\$ 1,440,000	\$ -
Contributions	380,000	1,440,000
Distributions	(109,813)	-
Change in value	161,371	-
	\$ 1,871,558	\$ 1,440,000

**Note 5: Capital Campaign Promises to Give**

Capital campaign promises to give as of December 31, 2023 totaled \$100,508 and are due within one year.

**YAMPA VALLEY COMMUNITY FOUNDATION**

**Notes to Financial Statements**

**December 31, 2023**

**(with summarized financial information as of and for the year ended December 31, 2022)**

**Note 6: Note Receivable**

The Foundation started the Yampa Valley Housing Accelerator Fund, a board-designated fund, in 2023 with \$2,600,000 to incentivize and speed up the development of affordable, attainable, and workforce housing in the Yampa Valley region of Colorado.

In conjunction with this fund, the Foundation has one note receivable from the Craig Housing Authority (the Authority) for a principal amount of up to \$2,500,000. As of December 31, 2023, the Authority had drawn a principal balance of \$1,514,072. The note requires quarterly interest payments on the outstanding principal at an interest rate of 3% per annum and principal is due in full upon maturity on December 31, 2024.

**Note 7: Property and Equipment, Net**

Property and equipment, net consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	Estimated Useful Life
Land	\$ 805,000	\$ 805,000	N/A
Building	2,476,345	-	30-40 years
Fixtures and appliances	320,804	-	10-20 years
Furniture and equipment	60,082	45,513	7 years
Leasehold improvements	-	91,618	
Construction in progress	-	844,210	
	<u>3,662,231</u>	<u>1,786,341</u>	
Less: accumulated depreciation	<u>(15,225)</u>	<u>(137,131)</u>	
Property and equipment, net	<u>\$ 3,647,006</u>	<u>\$ 1,649,210</u>	

**Note 8: Endowment Funds**

Changes in endowment net assets for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Endowment net assets, beginning of year	\$ 12,869,828	\$ 15,630,195
Investment return, net of fees	1,956,740	(2,961,642)
Contributions	428,715	601,524
Amounts appropriated for expenditure	(245,087)	(405,818)
Agency fund reclassification	-	5,569
Endowment net assets, end of year	<u>\$ 15,010,196</u>	<u>\$ 12,869,828</u>

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**Note 8: Endowment Funds (continued)**

Endowment net asset composition by type of fund as of December 31, 2023 and 2022:

*Year ended December 31, 2023*

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds:			
Board designated	\$ 6,324,507	\$ -	\$ 6,324,507
Field of interest	-	765,254	765,254
Designated	-	7,920,435	7,920,435
Endowment net assets	<u>\$ 6,324,507</u>	<u>\$ 8,685,689</u>	<u>\$ 15,010,196</u>

*Year ended December 31, 2022*

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds:			
Board designated	\$ 5,382,686	\$ -	\$ 5,382,686
Field of interest	-	633,020	633,020
Designated	-	6,854,122	6,854,122
Endowment net assets	<u>\$ 5,382,686</u>	<u>\$ 7,487,142</u>	<u>\$ 12,869,828</u>

**Note 9: Agency Transactions**

Funds received under agency agreements are recorded directly to a liability account. Both the assets and the liability are measured at the fair value of the assets received. Activity in the assets held for agency funds for the years ended December 31, 2023 and 2022 was as follows:

*Year ended December 31, 2023*

	Fiscal Sponsorship	Non Profit Organization / Endowment	Total Agency Funds
Beginning balance	\$ 52,856	\$ 3,907,307	\$ 3,960,163
Contributions and investment return	27,555	1,688,650	1,716,205
Disbursements	(15,729)	(546,010)	(561,739)
Ending balance	<u>\$ 64,682</u>	<u>\$ 5,049,947</u>	<u>\$ 5,114,629</u>

*Year ended December 31, 2022*

	Fiscal Sponsorship	Non Profit Organization / Endowment	Total Agency Funds
Beginning balance	\$ 58,239	\$ 3,655,171	\$ 3,713,410
Contributions and investment return	(3,562)	1,519,457	1,515,895
Disbursements	(1,821)	(611,170)	(612,991)
Fund reclassifications	-	(656,151)	(656,151)
Ending balance	<u>\$ 52,856</u>	<u>\$ 3,907,307</u>	<u>\$ 3,960,163</u>



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**Note 9: Agency Transactions (continued)**

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, 2023 and 2022 were \$872,889 and \$878,977, respectively.

**Note 10: Net Assets With Donor Restrictions**

Net assets with donor restrictions were as follows as of December 31, 2023 and 2022:

	2023	2022
Donor restricted endowment funds	\$ 8,685,689	\$ 7,487,141
Purpose restricted funds	541,442	2,484,345
Capital campaign promises to give, net	100,508	558,932
	\$ 9,327,639	\$ 10,530,418

Net assets released from net assets with donor restrictions were as follows for the year ended December 31, 2023:

Appropriation from donor endowment	\$	160,789
Distribution to donor specified beneficiaries		2,000
Building construction costs		2,024,367
Payments received on capital campaign promises to give		463,690
	\$	2,650,846

**Note 11: Concentration of Revenue Source**

The Foundation received from one donor, two large contributions to a donor advised fund representing approximately 38% and 54% of its gross contributions for the years ended December 31, 2023 and 2022, respectively.

**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 \$15,836 and \$14,444 to the plan for the years ended December 31, 2023 and 2022, 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.

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**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 Foundation to purchase ski passes or medallions totaling \$311,032 from SSRC for the Passport Club members. The agreement also requires SSRC to contribute \$269,268 to the Foundation's operating fund and \$41,764 to SSRC donor advised funds held at the Foundation. Additionally, \$137,747 of the operating funds received by the Foundation are to be transferred to SSRC funds as recommended by SSRC.

The agreement also requires the Foundation to pay \$1,000 per Passport Club member to SSRC for parking privileges at the ski mountain. The Foundation paid \$80,000 to SSRC for parking privileges for the year ended December 31, 2023.

The current Passport Club Program agreement expires April 30, 2024. The Foundation is currently in discussions with SSRC to renew the program for future years.

**Note 15: Year in Review**

The Foundation made significant contributions to our Yampa Valley community in 2023:

- In 2023, grantmaking totaled \$7.3 million. Twenty-seven new funds were established with a combined value of almost \$5 million, including 15 donor advised funds, 8 granting funds, 1 revolving loan fund, and 3 scholarship funds.
- The Foundation was selected by the State as one of 8 grantmakers to facilitate the distribution of \$33 million in federal funds to nonprofits. Our region included Routt, Moffat, Rio Blanco, Garfield and Eagle Counties and we made a total of \$3.6 million in grants to 56 nonprofit organizations in that region.
- In October, the Foundation moved into its newly constructed building at 348 Oak Street.
- The Foundation launched a new program in Impact Investing and through that program made our first loan of \$2.6 million to the Craig Housing Authority to enable the construction of a 20-unit for sale workforce housing project.
- Inspired by our donors, we encouraged nonprofits to let us know when they experience an emergency need and an unbudgeted expense. This new effort resulted in \$558,000 to meet the unexpected, emergent needs of 19 nonprofits in 2023.

**Note 16: Subsequent Events**

The Foundation has evaluated subsequent events through May 6, 2024, the date these financial statements were available to be issued.