

Yampa Valley Community Foundation

**Financial Statements and
Independent Auditors' Report**

Together with Government Auditing Standards Reports

**For the year ended December 31, 2024
with summarized comparative
information as of December 31, 2023**



Table of Contents

	Page
Independent Auditors' Report	1-3
 Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Statement of Functional Expenses	7
Notes to Financial Statements	8-23
 Government Auditing Standards Reports	
Schedule of Findings and Questioned Costs.....	24
Independent Auditors' Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	25-26



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Independent Auditors' Report

To the Board of Trustees
Yampa Valley Community Foundation

Opinion

We have audited the accompanying financial statements of Yampa Valley Community Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yampa Valley Community Foundation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yampa Valley Community 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Yampa Valley Community Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for 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 auditors' 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 generally accepted auditing standards and *Government Auditing Standards* 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 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Yampa Valley Community 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 Yampa Valley Community 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025, on our consideration of Yampa Valley Community Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Yampa Valley Community Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yampa Valley Community Foundation's internal control over financial reporting.

Report on Summarized Comparative Information

The financial statements of Yampa Valley Community Foundation as of December 31, 2023, were audited by other auditors whose report dated May 6, 2024, expressed an unmodified opinion on those statements. In their opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Haynie & Company

Littleton, Colorado
May 27, 2025

Yampa Valley Community Foundation
Statement of Financial Position
December 31, 2024

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

	2024	2023
Assets		
Cash and cash equivalents	\$ 1,109,320	\$ 1,015,127
Investments		
Operating	59,043,575	47,470,679
Endowment funds	17,021,807	15,072,714
Contributions receivable	405,607	-
Capital campaign promises to give, net	-	100,508
Notes receivable	7,231,658	1,514,072
Property and equipment, net	3,555,654	3,647,006
Other assets	39,015	41,674
Total Assets	\$ 88,406,636	\$ 68,861,780
Liabilities		
Accounts payable and accrued expenses	399,036	374,790
Agency funds held for other organizations	6,862,301	5,114,629
Deferred revenue	74,734	-
Total Liabilities	7,336,071	5,489,419
Net Assets		
With donor restrictions	9,941,532	9,171,309
Without donor restrictions	71,129,032	54,201,052
Total net assets	81,070,565	63,372,361
Total Liabilities and Net Assets	\$ 88,406,636	\$ 68,861,780

The accompanying notes are an integral part of these financial statements.

Yampa Valley Community Foundation

Statement of Activities

December 31, 2024

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

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Revenues and Other Support:				
Contributions	\$ 41,219,929	\$ 627,101	\$ 41,847,030	\$ 13,208,598
Less: pass through contributions	(17,084,935)	-	(17,084,935)	(872,889)
Passport club memberships	630,000	-	630,000	600,000
Investment return, net of fees	6,114,911	878,466	6,993,377	8,176,743
Other income	188,895	-	188,895	-
Less: revenues applicable to agency funds	(1,886,273)	-	(1,886,273)	(1,716,205)
Net assets released from restrictions	735,344	(735,344)	-	-
Net operating revenues and other support	<u>29,917,871</u>	<u>770,223</u>	<u>30,688,094</u>	<u>19,396,247</u>
Operating Expenses and Distributions:				
Program Services:				
Grants awarded, net	11,404,755	-	11,404,755	5,906,442
Other programs	1,017,656	-	1,017,656	834,803
Total program services	<u>12,422,411</u>	<u>-</u>	<u>12,422,411</u>	<u>6,741,245</u>
Supporting Services				
Management and general	477,213	-	477,213	482,476
Fundraising	90,267	-	90,267	73,415
Total Supporting Services	<u>567,480</u>	<u>-</u>	<u>567,480</u>	<u>555,891</u>
Total operating expenses and distributions	<u>12,989,890</u>	<u>-</u>	<u>12,989,890</u>	<u>7,297,136</u>
Nonoperating Activities				
Capital campaign contributions	-	-	-	26,025
Total nonoperating activities	-	-	-	26,025
Change in net assets	16,927,980	770,223	17,698,204	12,125,136
Net Assets, Beginning of Year	<u>54,201,052</u>	<u>9,171,309</u>	<u>63,372,361</u>	<u>51,247,225</u>
Net Assets, End of Year	<u>\$ 71,129,032</u>	<u>\$ 9,941,532</u>	<u>\$ 81,070,565</u>	<u>\$ 63,372,361</u>

The accompanying notes are an integral part of these financial statements.

Yampa Valley Community Foundation

Statement of Cash Flows

December 31, 2024

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

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Changes in net assets	\$ 17,698,204	\$ 12,099,111
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	91,352	15,225
Realized and unrealized (gains) on investments	(4,918,683)	(6,196,561)
Net changes in:		
Promises to give	(405,607)	-
Other assets	2,659	(36,105)
Accounts payable and accrued expenses	24,246	325,248
Assets held for agency funds	1,747,672	1,154,466
Deferred revenue	74,734	-
Net cash from operating activities	<u>14,314,577</u>	<u>7,361,384</u>
Cash flows from investing activities		
Cash paid for building construction	-	(2,013,021)
Issuance of notes receivable	(5,717,586)	(1,514,072)
Investment sales (purchases), net	<u>(8,603,306)</u>	<u>(4,414,726)</u>
Net cash from investing activities	<u>(14,320,892)</u>	<u>(7,941,819)</u>
Cash flows from financing activities		
Capital campaign contributions received	<u>100,508</u>	<u>484,449</u>
Net cash from investing activities	<u>100,508</u>	<u>484,449</u>
Net change in cash and cash equivalents	94,193	(95,986)
Cash balance—beginning of year	<u>1,015,127</u>	<u>1,111,113</u>
Cash balance—end of year	<u>\$ 1,109,320</u>	<u>\$ 1,015,127</u>

The accompanying notes are an integral part of these financial statements.

Yampa Valley Community Foundation

Statement of Functional Expenses

For the Year Ended December 31, 2024

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

	Program Services		Supporting Services			Total 2024	Total 2023
	Grants Awarded	Other Programs	Total	Management and General	Fundraising		
Expenses and distributions							
Grants awarded	\$ 28,628,291	\$ -	\$ 28,628,291	\$ -	\$ -	\$ 28,628,291	\$ 7,264,965
Less: Pass through grants	(17,084,935)	-	(17,084,935)	-	-	(17,084,935)	(872,889)
Agency and other fund disbursements	-	-	-	-	-	-	76,105
Less program services applicable to agency	(138,601)	-	(138,601)	-	-	(138,601)	(561,739)
Grants awarded, net	11,404,755	-	11,404,755	-	-	11,404,755	5,906,442
Passport Club program	-	510,858	510,858	-	-	510,858	460,548
Wages and benefits	-	405,635	405,635	297,824	87,641	791,100	703,370
Office expenses	-	-	-	47,083	-	47,083	50,745
Insurance	-	-	-	12,104	-	12,104	8,020
Marketing	-	11,695	11,695	7,108	2,626	21,429	13,592
Professional fees	-	-	-	21,741	-	21,741	41,893
Professional staff expenses	-	29,434	29,434	-	-	29,434	14,176
Donor relations	-	48,562	48,562	-	-	48,562	75,126
Community support	-	11,471	11,471	-	-	11,471	7,999
Depreciation	-	-	-	91,352	-	91,352	15,225
				0			
Total Expenses and distributions	<u>\$ 11,404,755</u>	<u>\$ 1,017,656</u>	<u>\$ 12,422,411</u>	<u>\$ 477,213</u>	<u>\$ 90,267</u>	<u>\$ 12,989,890</u>	<u>\$ 7,297,136</u>

The accompanying notes are an integral part of these financial statements.

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

1. Organization

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. The Foundation’s work happens through four programs:

1. Engaging donors in meaningful philanthropy.
2. Strengthening and sustain local nonprofits.
3. Delivering impactful grantmaking.
4. Building community.

One of the services offered to philanthropists is managing and investing in charitable funds on their behalf. The Foundation manages over \$76 million in over 250 donor advised funds, scholarship funds, agency endowments, and other funds which help fuel the charitable investments the Foundation and its fundholders make in the region.

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.

Classification of Net Assets

The Foundation reports information regarding its financial position and activities into the following classes of net assets based on the presence or absence of donor-imposed restrictions.

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 board of directors.

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

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

2. Summary of Significant Accounting Policies (continued)

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.

The Foundation receives gifts from individuals, foundations, and organizations and places them into individual funds that match the giving priorities of the donors. Some of the gifts are endowment gifts which are preserved in perpetuity subject to variance power. Endowment gifts are subject to spending policies.

Cash and Cash Equivalents

The Foundation's cash balances include an operating bank account and a savings account. The Foundation considers all highly liquid investment instruments with maturities of three months or less to be cash equivalents and excludes cash equivalents funds held in the 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 part of the 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.

Distributive shares of income or loss from pass-through entities, such as private equity partnerships, are recorded as income in the year received, and are reported as adjustment to the initial cost basis of the investment. Gains and losses attributable to investments are realized and reported upon sale or disposition of the investment. Unrealized gains and losses are included in the statement of activities and as part of the changes in net assets. As of December 31, 2024 and 2023, the Foundation held \$2,053,248 and \$1,871,558 respectively of investments at cost. The Foundation has evaluated all of the investments held at cost for impairment and did not identify any events or changes in circumstances that may have a significant adverse effect on the valuation of the investment.

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

2. Summary of Significant Accounting Policies (continued)

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, 2024 and 2023.

Property and Equipment

Property and equipment is stated at cost if purchased and estimated fair value if acquired through donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from seven to forty years. The Foundation capitalizes property and equipment additions greater than \$2,500.

The Foundation reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the statement of activities, to its current fair value. There were no such impairments as of December 31, 2024.

Functional Allocation of Expenses

The costs of providing various program and support services have been summarized on a functional basis in the 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 that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Wages and benefits	Time and effort
Occupancy	Time and effort
Professional fees	Time and effort
Grants award	Direct

Revenue Recognition

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 deferred revenue in the statement of financial position.

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

2. Summary of Significant Accounting Policies (continued)

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.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

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.

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, 2024 and 2023 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.

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 unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

2. Summary of Significant Accounting Policies (continued)

- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation holds securities measured as Level 1 of December 31, 2024 and 2023, respectively.

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.

Grants

Grants are expensed when approved for payment by the Foundation's Board of Trustees.

Marketing

Marketing costs are expensed as incurred. Total marketing costs as of December 31, 2024 and 2023 were \$21,429 and \$13,592, respectively.

Tax Exempt Status

Yampa Valley Community Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. During 2024 and 2023, the Foundation had no unrelated business activities and believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

2. Summary of Significant Accounting Policies (continued)

The Foundation's federal tax returns (Form 990) are subject to routine examination by the IRS, generally for three years after the returns are filed.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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, 2023, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the current year presentation.

3. Endowments

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, 2024

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

3. Endowments (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.

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. Actual returns in any given year may vary from this amount.

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).

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-

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

3. Endowments (continued)

restricted endowment. No deficiencies exist at December 31, 2024.

Changes in endowment net assets for years ended December 31, 2024 and 2023 respectively, are as follows:

	2024	2023
Endowment net assets, beginning of year	\$ 15,072,714	\$12,869,828
Investment return, net of fees	1,540,802	2,011,258
Contributions	440,350	436,715
Transfers from other funds	210,000	-
Appropriation of endowment net assets for expenditure	(242,059)	(245,087)
Endowment net assets end of year	\$ 17,021,807	\$15,072,714

Endowment net asset composition by fund as of December 31, 2024, and 2023, respectively, is as follows:

	Year ended December 31 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds			
Board Designated	\$ 7,494,244	\$ -	\$ 7,494,244
Field of Interest	-	868,483	868,483
Designated	-	8,659,081	8,659,081
Total	\$ 7,494,244	\$ 9,527,563	\$17,021,807

	Year ended December 31 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds			
Board Designated	\$ 6,543,355	\$ -	\$ 6,543,355
Field of Interest	-	773,254	773,254
Designated	-	7,756,105	7,756,105
Total	\$ 6,543,355	\$ 8,529,359	\$15,072,714

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

4. Investments

The Foundation's summary of investments as of December 31, 2024 and 2023 is as follows:

	2024			Total
	Level 1	Level 2	Level 3	
Cash and money market funds	\$ 15,795,604	\$ -	\$ -	\$ 15,795,604
Mutual funds:				
Equity funds	41,039,932	-	-	41,039,932
Fixed income funds	7,358,717	-	-	7,358,717
Equities	9,817,881	-	-	9,817,881
Limited partnerships held at cost	-	-	-	2,053,248
Total	<u>\$ 74,012,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,065,382</u>
	2023			Total
	Level 1	Level 2	Level 3	
Cash and money market 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 held at cost	-	-	-	1,871,558
Total	<u>\$ 60,671,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,543,393</u>

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

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.

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

4. Investments (continued)

The changes in investment in limited partnerships is recorded at cost and is summarized as of December 31, 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$1,871,558	\$1,440,000
Contributions	200,000	380,000
Distributions	(4,493)	(109,813)
Change in value	<u>(13,817)</u>	<u>161,371</u>
Ending balance	<u>\$2,053,248</u>	<u>\$1,871,558</u>

Net investment earnings for the years ended December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 2,227,160	\$ 2,111,040
Realized gains/(losses)	1,173,910	792,066
Unrealized gains/(losses)	3,744,773	5,404,495
Investment fees	<u>(152,466)</u>	<u>(130,858)</u>
	<u>\$ 6,993,377</u>	<u>\$ 8,176,743</u>

5. Contributions Receivable and Promises to Give

As of December 31, 2024, the Organization reported contributions receivable totaling \$405,607. These receivables relate to program activities of the Foundation and are expected to be collected in full. All receivables are due within one year.

As of December 31, 2023, unconditional capital campaign promises to give totaled \$100,508 and were due within one year.

6. Notes 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 a note receivable from the Craig Housing Authority (the Authority). This loan is secured by a construction loan deed of trust on the affordable housing property.

Yampa Valley Community Foundation
Notes to Financial Statements
December 31, 2024

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

6. Notes Receivable (continued)

In 2023, the Foundation started the Impact Investment Program with the intention of providing capital investments with the support from the private market in the local community with a focus on affordable housing. In conjunction with this fund, the Foundation has a note receivable with Prairie Run Apartments. The note is secured by a deed of trust and an assignment of rents on the property. The loan is subordinate to the Borrower's mortgage on the property. Repayment terms follow the mortgage agreement.

A summary of notes receivable outstanding under the programs are summarized as follows:

Name of Borrower:	Loan Commitment	Date of Loan	Interest Rate	Maturity Date	Outstanding Balance	Repayment Terms
Craig Housing Authority	2,500,000	September 2023	3%	December 31, 2025	1,904,158	Interest quarterly
Prairie Run Apartments, LLC	5,250,000	October 2024	2%	October 8, 2039	5,250,000	once cash flow occurs
Milner Park	77,500	November 2024	0%	January 31, 2025	77,500	None

Refer to the subsequent event footnote for notes receivable executed after December 31, 2024.

7. Property and Equipment

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

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Life</u>
Land	\$ 805,000	\$ 805,000	N/A
Building	2,476,345	2,476,345	30-40 years
Fixtures and appliances	320,804	320,804	10-20 years
Furniture and equipment	<u>60,082</u>	<u>60,082</u>	7 years
	3,662,231	3,662,231	
Less: Accumulated depreciation	<u>(106,577)</u>	<u>(15,225)</u>	
Property and equipment, net	<u>\$3,555,654</u>	<u>\$3,647,006</u>	

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

8. 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, 2024 and 2023, respectively, was reported as follows:

	2024		
	Fiscal Sponsorship	Non Profit Organization/Endowment	Total Agency Funds
Beginning Balance	\$ 64,682	\$ 5,049,947	\$ 5,114,629
Contributions and net investment return	4,443	1,841,509	1,845,951
Disbursements	(10,636)	(87,643)	(98,280)
Ending balance	<u>\$ 58,488</u>	<u>\$ 6,803,813</u>	<u>\$ 6,862,301</u>

	2023		
	Fiscal Sponsorship	Non Profit Organization/Endowment	Total Agency Funds
Beginning Balance	\$ 52,856	\$ 3,907,307	\$ 3,960,163
Contributions and net 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>

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, 2024 and 2023 were \$17,084,935 and \$872,889, respectively. Passthrough contributions in 2024 largely related to the Save Casey's Pond fund disbursements.

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

9. Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Donor restricted endowment funds	\$ 9,527,564	\$ 8,529,359
Purpose restricted funds	8,361	541,442
Contributions receivable	405,607	-
Capital campaign receivable, net	-	100,508
Total net assets with donor restrictions	<u>\$ 9,941,532</u>	<u>\$ 9,171,309</u>

Net assets released from donor restrictions for the year ended December 31, 2024 and 2023 respectively were as follows:

	<u>2024</u>	<u>2023</u>
Appropriation from donor endowment	\$ 101,101	\$ 160,789
Distribution to donor specified beneficiaries	2,000	2,000
Transfer of remaining balance to Board		
Designated building reserve endowment fund	531,735	-
Payments received on capital campaign promises to give	100,508	463,690
Building construction costs	-	2,024,367
	<u>\$ 735,344</u>	<u>\$ 2,650,846</u>

10. Liquidity and Availability of Funds

The following represents the Foundation's financial assets as of December 31, 2024, 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.

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

10. Liquidity and Availability of Funds (continued)

Cash and cash equivalents	\$ 1,109,320
Investments	59,043,575
Endowment funds	17,021,807
Contributions receivable	405,607
	<u>77,580,309</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(9,941,532)
Amounts held for agency funds	(6,862,301)
Board-designated endowment funds	(7,494,244)
Donor-advised funds and other funds, primarily for long-term investing	<u>(44,369,351)</u>
Unrestricted financial assets available to meet general expenditures and liabilities within one year	<u>\$ 8,912,881</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.

11. Concentrations

The Foundation received from one donor, two large contributions to a donor advised fund representing approximately 24% and 38% of its gross contributions for the years ended December 31, 2024 and 2023, respectively.

Yampa Valley Community Foundation

Notes to Financial Statements

December 31, 2024

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

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 \$18,759 and \$15,836 to the plan for the years ended December 31, 2024 and 2023, respectively.

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.

14. Commitments

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 \$348,430 and \$311,032 from SSRC for the Passport Club members for the year ended December 31, 2024 and 2023, respectively. The agreement also requires SSRC to allocate a portion of the annual net proceeds from the sale of the passes to the Foundation's operating fund and to the SSRC donor advised funds held at the Foundation.

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 and \$80,000 to SSRC for parking privileges for the year ended December 31, 2024 and 2023, respectively.

As part of the agreement, the Foundation leases a locker room and space for ski storage with SSRC for \$1,342 per month plus variable pass-through charges as additional rent under a three-year term which began May 1, 2024 and terminates April 30, 2027. The lease agreement increases at the greater of the CPI index or 2.5% annually each May 1st.

The current Passport Club Program agreement expires April 30, 2025. 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, 2024

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

15. Year in Review

The Foundation made significant contributions to our Yampa Valley community in 2024:

- In 2024, grantmaking totaled \$11.4 million. Sixteen new funds were established with a combined value of \$7.75 million, including 8 donor advised funds, 4 designated and granting funds, 1 nonprofit agency fund, and 3 scholarship funds.
- The Foundation's largest contribution to the community in 2024, and perhaps the single most impactful accomplishment of the Foundation's history, was the successful effort to save Casey's Pond – a 138-bed facility providing independent and assisted living and a skilled nursing facility. Within three months of Casey's Pond being entered into receivership, the Foundation took the lead in raising \$30M from 421 donors for the acquisition of the facility and operating support for new nonprofit owners Northwest Colorado Health; within four months the sale was closed, allowing this important community asset to remain right here in the Yampa Valley.
- The Foundation issued its second loan under the Impact Investing program for \$5.25 million to Prairie Run Community LLC for the construction of 135 apartments in 13 distinct buildings for deed-restricted workforce housing in Hayden, Colorado.
- Inspired by our donors, we encourage nonprofits to let us know when they experience an emergency need and an unbudgeted expense through our Emergent Needs Granting Program. This effort resulted in \$468,000 to meet the unexpected, emergent needs of 15 nonprofits in 2024.

16. Subsequent Events

The Foundation has evaluated subsequent events through May 27, 2025, the date these financial statements were available to be issued.

On January 31, 2025, the Foundation closed on a note receivable with Milner Park Cooperative for \$7,000,000, secured by a deed of trust on a mobile home park, an assignment of rents, security agreement, and financing arrangement. The note carries 0% interest and matures in seven years. Principal installments are due quarterly beginning March 31, 2025.

On January 31, 2025, the Foundation closed on a note receivable with Milner Park Cooperative for \$750,000, secured by a deed of trust on a mobile home park, an assignment of rents, security agreement, and financing arrangement. The note carries 2% interest and matures in seven years. Principal installments are due quarterly beginning March 31, 2025.

Related to this transaction, the Foundation advanced \$77,500 for the earnest money on the property prior to December 31, 2024.

Yampa Valley Community Foundation

Schedule of Findings and Questioned Costs for the Year Ended December 31, 2024

1. Summary of Auditors' Results

Type of report issued on the financial statements: **Unmodified**

Material weaknesses in financial reporting internal control noted: **None**

Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting: **None identified**

Material noncompliance noted: **None**

2. Summary Schedule of Prior Audit Findings

None



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
Yampa Valley Community Foundation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Yampa Valley Community Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yampa Valley Community Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Yampa Valley Community Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Yampa Valley Community Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

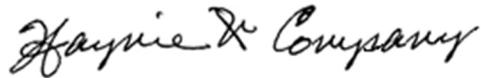
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yampa Valley Community Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Haynie & Company". The signature is written in black ink and is positioned above the typed name and date.

Littleton, Colorado
May 27, 2025