

# Yampa Valley Community Foundation

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## Financial Statements and Independent Auditors' Report

For the year ended December 31, 2025  
with summarized comparative  
information as of December 31, 2024



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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, 2025, and the related statements of activities, cash flows and functional expenses for the year 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, 2025, 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. 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 opinion.

### Emphasis of Matter

As discussed in Note 17 to the financial statements, the 2024 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### 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 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 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.

### **Report on Summarized Comparative Information**

We have previously audited Yampa Valley Community Foundation's 2024 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated May 27, 2025. As discussed in Note 17, the 2024 financial statements have been restated. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements as restated from which it has been derived.



Littleton, Colorado  
May 14, 2026

**Yampa Valley Community Foundation**  
**Statement of Financial Position**  
**December 31, 2025**

(with summarized financial information as of and for the year ended December 31, 2024)

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		<b>(restated)</b>
Cash and cash equivalents	\$ 10,287,875	\$ 16,904,924
Investments		
Operating	68,480,626	43,247,972
Endowment funds	19,137,438	17,021,807
Contributions receivable	384,109	405,607
Notes receivable, net	9,613,997	5,279,711
Property and equipment, net	3,464,302	3,555,654
Other assets	40,843	39,015
<b>Total Assets</b>	<b>\$ 111,409,189</b>	<b>\$ 86,454,690</b>
 <b>Liabilities</b>		
Accounts payable and accrued expenses	459,358	399,036
Agency funds held for other organizations	8,469,790	7,204,245
Deferred revenue	-	74,734
<b>Total Liabilities</b>	<b>8,929,148</b>	<b>7,678,015</b>
 <b>Net Assets</b>		
With donor restrictions	10,811,455	9,941,532
Without donor restrictions	91,668,586	68,835,142
Total net assets (as restated)	102,480,041	78,776,675
<b>Total Liabilities and Net Assets</b>	<b>\$ 111,409,189</b>	<b>\$ 86,454,690</b>

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

# Yampa Valley Community Foundation

## Statement of Activities

**December 31, 2025**

(with summarized financial information as of and for the year ended December 31, 2024)

	<b>2025</b>			<b>2024</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>(restated) Total</b>
<b>Operating Revenues and Other Support:</b>				
Contributions	\$ 31,456,743	\$ 59,898	\$ 31,516,641	\$ 41,505,086
Less: pass through contributions	(701,704)	-	(701,704)	(17,084,935)
Passport club memberships	648,000	-	648,000	630,000
Investment return, net of fees	8,491,850	1,224,039	9,715,889	6,993,377
Other income (loss)	-	-	-	188,895
Less: revenues applicable to agency funds	(2,419,656)	-	(2,419,656)	(1,886,273)
In kind donations	3,646,205	-	3,646,205	-
Net assets released from restrictions	414,014	(414,014)	-	-
Net operating revenues and other support	<u>41,535,453</u>	<u>869,923</u>	<u>42,405,376</u>	<u>30,346,150</u>
<b>Operating Expenses and Distributions:</b>				
Program Services:				
Grants awarded, net	14,422,505	-	14,422,505	11,404,755
Other programs	3,588,821	-	3,588,821	2,969,601
Total program services	<u>18,011,326</u>	<u>-</u>	<u>18,011,326</u>	<u>14,374,356</u>
Supporting Services				
Management and general	583,861	-	583,861	477,213
Fundraising	106,822	-	106,822	90,268
Total Supporting Services	<u>690,683</u>	<u>-</u>	<u>690,683</u>	<u>567,481</u>
Total operating expenses and distributions	<u>18,702,009</u>	<u>-</u>	<u>18,702,009</u>	<u>14,941,836</u>
Change in net assets	22,833,444	869,923	23,703,367	15,404,314
Net Assets, Beginning of Year (as restated)	<u>68,835,142</u>	<u>9,941,532</u>	<u>78,776,674</u>	<u>63,372,361</u>
Net Assets, End of Year	<u>\$ 91,668,586</u>	<u>\$ 10,811,455</u>	<u>\$ 102,480,041</u>	<u>\$ 78,776,676</u>

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

# Yampa Valley Community Foundation

## Statement of Cash Flows

December 31, 2025

(with summarized financial information as of and for the year ended December 31, 2024)

	<u>2025</u>	<u>2024</u> (restated)
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 23,703,366	\$ 15,404,312
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	91,352	91,352
Realized and unrealized (gains) on investments	(6,353,516)	(6,993,377)
Net changes in:		
Contributions receivable	21,498	(405,607)
Other assets	-	2,659
Accounts payable and accrued expenses	60,323	24,246
Assets held for agency funds	1,263,718	2,089,616
Deferred revenue	(74,734)	74,734
Net cash from operating activities	<u>18,712,007</u>	<u>10,287,935</u>
<b>Cash flows from investing activities</b>		
Issuance of notes receivable	(4,334,286)	(3,765,639)
Investment sales (purchases), net	<u>(20,994,770)</u>	<u>9,266,993</u>
Net cash from investing activities	<u>(25,329,056)</u>	<u>5,501,354</u>
<b>Cash flows from financing activities</b>		
Capital campaign contributions received	<u>-</u>	<u>100,508</u>
Net cash from financing activities	<u>-</u>	<u>100,508</u>
Net change in cash and cash equivalents	(6,617,049)	15,889,797
<b>Cash balance—beginning of year</b>	<u>16,904,924</u>	<u>1,015,127</u>
<b>Cash balance—end of year</b>	<u>\$ 10,287,875</u>	<u>\$ 16,904,924</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, 2025**

(with summarized comparative financial information as of and for the year ended December 31, 2024)

	Program Services			Supporting Services		Total 2025	(restated) Total 2024
	Grants Awarded	Other Programs	Total	Management and General	Fundraising		
<b>Expenses and distributions</b>							
Grants awarded	\$ 16,220,870	\$ -	\$ 16,220,870	\$ -	\$ -	\$ 16,220,870	\$ 12,141,977
Less: Pass through grants	(701,704)	-	(701,704)	-	-	(701,704)	(598,621)
Less program services applicable to agency	<u>(1,096,662)</u>	-	<u>(1,096,662)</u>	-	-	<u>(1,096,662)</u>	<u>(138,601)</u>
Grants awarded, net	14,422,505	-	14,422,505	-	-	14,422,505	11,404,755
Contribution Expense	-	2,331,825	2,331,825	-	-	2,331,825	1,951,947
Passport Club program	-	495,937	495,937	-	-	495,937	510,859
Wages and benefits	-	554,991	554,991	306,253	103,665	964,909	791,100
Office expenses	-	-	-	85,507	-	85,507	47,083
Insurance	-	-	-	15,937	-	15,937	12,104
Marketing	-	7,271	7,271	7,466	3,157	17,894	21,429
Professional fees	-	-	-	74,100	-	74,100	21,741
Professional staff expenses	-	48,775	48,775	-	-	48,775	29,434
Donor relations	-	40,229	40,229	3,246	-	43,475	48,562
Community support	-	9,921	9,921	-	-	9,921	11,471
Miscellaneous	-	99,871	99,871	-	-	99,871	-
Depreciation	-	-	-	91,352	-	91,352	91,352
<b>Total Expenses and distributions</b>	<u>\$ 14,422,505</u>	<u>\$ 3,588,821</u>	<u>\$ 18,011,326</u>	<u>\$ 583,861</u>	<u>\$ 106,822</u>	<u>\$ 18,702,009</u>	<u>\$ 14,941,836</u>

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

# Yampa Valley Community Foundation

## Notes to Financial Statements

December 31, 2025

(with summarized financial information as of and for the year ended December 31, 2024)

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### 1. Organization

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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 sustaining 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 \$88 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.

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### 2. Summary of Significant Accounting Policies

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#### **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 Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by 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, 2025

(with summarized financial information as of and for the year ended December 31, 2024)

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### 2. Summary of Significant Accounting Policies (continued)

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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 includes cash equivalents funds held in the investment portfolios.

#### Concentration of Credit Risk

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

#### 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 adjustments 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, 2025 and 2024, the Foundation held \$2,347,942 and \$2,053,248 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, 2025

(with summarized financial information as of and for the year ended December 31, 2024)

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### 2. Summary of Significant Accounting Policies (continued)

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#### 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. All promises to give are expected to be received within one year and are recorded as net assets without donor restrictions. 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, 2025 and 2024.

#### 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, 2025.

#### Functional Allocation of Expenses

The costs of providing various programs 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
Marketing	Time and effort

#### 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, 2025

(with summarized financial information as of and for the year ended December 31, 2024)

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## 2. Summary of Significant Accounting Policies (continued)

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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

Revenue from Passport Club memberships includes an exchange component reflecting the direct benefits provided to members, and a contribution component representing the excess of membership fees over the value of those benefits.

### 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, 2025 and 2024 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;

# Yampa Valley Community Foundation

## Notes to Financial Statements

December 31, 2025

(with summarized financial information as of and for the year ended December 31, 2024)

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### 2. Summary of Significant Accounting Policies (continued)

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- Quoted prices for identical or similar assets or liabilities in inactive markets;
- 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 at fair value as Level 1 as of December 31, 2025 and 2024. The Foundation does not hold any Level 2 or Level 3 securities. Certain investments are held at cost and are not measured within the fair value hierarchy.

#### **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, 2025 and 2024 were \$17,894 and \$21,429, respectively.

**Yampa Valley Community Foundation**  
**Notes to Financial Statements**  
**December 31, 2025**

**(with summarized financial information as of and for the year ended December 31, 2024)**

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**2. Summary of Significant Accounting Policies (continued)**

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**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 2025 and 2024, 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. 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, 2024, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the current year presentation.

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**3. Endowments**

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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.

**Yampa Valley Community Foundation**  
**Notes to Financial Statements**  
**December 31, 2025**

**(with summarized financial information as of and for the year ended December 31, 2024)**

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**3. Endowments (continued)**

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

The Board of Trustees of the Foundation has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

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. No deficiencies exist at December 31, 2025 or 2024.

**Yampa Valley Community Foundation**  
**Notes to Financial Statements**  
**December 31, 2025**

(with summarized financial information as of and for the year ended December 31, 2024)

**3. Endowments (continued)**

Changes in endowment net assets for years ended December 31, 2025 and 2024 respectively, are as follows:

	2025	2024
Endowment net assets, beginning of year	\$ 17,021,807	\$ 15,072,714
Investment return, net of fees	2,204,598	1,540,802
Contributions	530,871	440,350
Transfers from other funds	7,157	210,000
Appropriation of endowment net assets for expenditure	(626,995)	(242,059)
Endowment net assets end of year	\$ 19,137,438	\$ 17,021,807

Endowment net asset composition by fund as of December 31, 2025 and 2024, respectively, is as follows:

	Year ended December 31 2025		
	Without Donor	With Donor	Total
Board Designated	\$ 8,707,782	\$ -	\$ 8,707,782
Field of Interest	-	959,761	959,761
Designated	-	9,469,896	9,469,896
Total	\$ 8,707,782	\$ 10,429,656	\$ 19,137,438

	Year ended December 31 2024		
	Restrictions	Restrictions	Total
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

**Yampa Valley Community Foundation**  
**Notes to Financial Statements**  
**December 31, 2025**

(with summarized financial information as of and for the year ended December 31, 2024)

**4. Investments**

The Foundation's summary of investments as of December 31, 2025 and 2024 is as follows:

	2025			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Equity funds	\$ 50,987,619	\$ -	\$ -	\$ 50,987,619
Fixed income funds	13,691,459	-	-	13,691,459
Equities	20,591,044	-	-	20,591,044
Limited partnerships held at cost	-	-	-	2,347,942
Total	<u>\$ 85,270,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,618,064</u>
	2024			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Equity funds	\$ 41,039,932	\$ -	\$ -	\$ 41,039,932
Fixed income funds	7,358,717	-	-	7,358,717
Equities	9,817,881	-	-	9,817,882
Limited partnerships held at cost	-	-	-	2,053,248
Total	<u>\$ 58,216,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,269,779</u>

Total investments in the table above are reflected in the financial statements as follows at December 31, 2025 and 2024:

	2024	2025
Operating	\$ 43,247,972	\$ 68,480,626
Endowment Funds	17,021,807	19,137,438
Included as a portion of total		
Cash and Cash Equivalents	15,795,604	8,863,271
	<u>\$ 76,065,383</u>	<u>\$ 96,481,335</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 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 fair value determination.

**Yampa Valley Community Foundation**  
**Notes to Financial Statements**  
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(with summarized financial information as of and for the year ended December 31, 2024)

**4. Investments (continued)**

The changes in investment in limited partnerships are recorded at cost and are summarized as of December 31, 2025 and 2024 as follows:

	<b>2025</b>	<b>2024</b>
Beginning balance	\$ 2,053,248	\$1,871,558
Contributions	300,000	200,000
Distributions	(41,576)	(4,493)
Change in value	36,270	(13,817)
Ending balance	\$ 2,347,942	\$2,053,248

Net investment earnings for the years ended December 31, 2025 and 2024 consisted of the following

	<b>2025</b>	<b>2024</b>
Dividends and interest	\$ 3,530,717	\$ 2,227,160
Realized gains/(losses)	842,510	1,173,910
Unrealized gains/(losses)	5,511,006	3,744,773
Investment fees	(168,344)	(152,466)
	\$ 9,715,889	\$ 6,993,377

**5. Contributions Receivable**

As of December 31, 2025 and December 31, 2024, the Organization reported contributions receivable totaling \$384,109 and \$405,607, respectively. These receivables relate to program activities of the Foundation and are expected to be collected in full. All receivables are due within one year.

**6. Notes Receivable**

In 2023, the Organization established the Impact Investment Program to provide capital investments in the local community, with a primary focus on affordable housing. As of December 31, 2025, the Organization held several notes receivable related to this program and other community investment activities. The notes receivable are stated as outstanding principal, net of any unamortized discount resulting from below-market interest rates on certain loans, and are secured by a combination of real property interests, assignments of rents or lease revenues, or other collateral as defined in the related loan agreements, with certain notes being subordinate to senior debt. Repayment terms vary by borrower and agreement.

# Yampa Valley Community Foundation

## Notes to Financial Statements

December 31, 2025

(with summarized financial information as of and for the year ended December 31, 2024)

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### 6. Notes Receivable (continued)

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The Organization evaluates notes receivable for expected credit losses in accordance with Accounting Standards Codification Topic 326, Financial Instruments – Credit Losses. Notes receivable are evaluated on an individual basis due to their unique repayment terms, borrower profiles, and collateral arrangements. In evaluating expected credit losses, management considered historical payment experience, the financial condition and operating performance of each borrower, contractual repayment terms, the presence of pledged collateral, and reasonable and supportable forecasts. Several notes receivable are secured by real property or other specific collateral, including deeds of trust on real property or assignments of lease revenues. Other notes receivable are unsecured or include repayment terms contingent upon available cash flow.

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

#### **Prairie Run Apartments, LLC**

The Organization has a loan outstanding with Prairie Run Community, LLC in the principal amount of \$5,250,000 related to the development of workforce housing in Hayden, Colorado. The loan bears interest at a rate of 2% per annum and matures in 2039, at which time principal is due. The loan is secured by a deed of trust on the development property and an assignment of rents. The outstanding principal balance of this loan was \$5,250,000 at December 31, 2025.

#### **Milner Park Community Cooperative**

The Organization has two loans outstanding with Milner Park Community Cooperative related to the acquisition of a mobile home park located in Milner, Colorado. The first loan consists of a mortgage loan in the principal amount of \$7,000,000 that bears interest at a rate of 0% and matures in 2032. The mortgage loan requires quarterly principal payments calculated based on a 25-year amortization schedule. The second loan is a gap loan in the principal amount of \$750,000 that bears interest at 2% per annum and also matures in 2032. The gap loan requires quarterly payments of principal and interest based on a 25-year amortization schedule. Both loans are secured by a first deed of trust on the underlying real property, an assignment of rents, and related project assets. The loan agreements permit prepayment without penalty, with any prepayments applied first to the gap loan. At December 31, 2025, the outstanding balance on the Milner Park loans was \$7,728,702.

#### **Yampa Valley Sustainability Council**

The Organization has a loan outstanding with Yampa Valley Sustainability Council in the principal amount of \$500,000 related to the acquisition of a facility located in Steamboat Springs, Colorado. The loan bears interest at a rate of 3% per annum, accruing monthly and payable quarterly, and matures in 2027, at which time the remaining principal is due in a balloon payment. The loan is secured by a deed of trust on the property, which is subordinate to a senior lender, and related collateral. The outstanding balance of this loan was \$500,000 at December 31, 2025.

**Yampa Valley Community Foundation**  
**Notes to Financial Statements**  
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(with summarized financial information as of and for the year ended December 31, 2024)

**6. Notes Receivable (continued)**

**Oak Creek Fire Protection District**

The Organization has a short-term loan outstanding with Oak Creek Fire Protection District in the principal amount of \$300,000 related to the purchase of emergency equipment. The loan bears interest at a rate of 5% per annum, requires interest-only quarterly payments with a balloon payment at maturity, and is secured by a security interest in the financed equipment. The outstanding balance of the loan is \$179,750 at December 31, 2025.

**South Routt Community Corporation**

The Organization has a short-term loan outstanding with South Routt Community Corporation in the principal amount of \$75,000 related to facility improvements for a property leased to University of Colorado Health. The loan bears interest at a rate of 3.5% per annum and matures in 2026, at which time all principal and accrued interest are due in a single balloon payment. The loan is secured by an assignment of the lease, rents, and related revenues under the lease agreement. The outstanding balance of this loan is \$75,000 at December 31, 2025.

Refer to the subsequent event footnote for notes receivable executed after December 31, 2025.

**7. Property and Equipment**

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

	<u>2025</u>	<u>2024</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>(197,929)</u>	<u>(106,577)</u>	
Property and equipment, net	<u>\$3,464,302</u>	<u>\$3,555,654</u>	

# Yampa Valley Community Foundation

## Notes to Financial Statements

**December 31, 2025**

(with summarized financial information as of and for the year ended December 31, 2024)

### 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, 2025 and 2024, respectively, was reported as follows:

	<b>2025</b>		
	Fiscal Sponsorship	Non Profit Organization/ Endowment	Total Agency Funds
Beginning Balance	\$ 58,488	\$ 7,146,006	\$ 7,204,495
Contributions and net investment return	2,721	2,419,656	2,422,377
Disbursements	<u>(2,970)</u>	<u>(1,154,112)</u>	<u>(1,157,082)</u>
Ending balance	<u>\$ 58,239</u>	<u>\$ 8,411,550</u>	<u>\$ 8,469,790</u>
	<b>2024</b>		
	Fiscal Sponsorship	Non Profit Organization/E ndowment	Total Agency Funds
Beginning Balance	\$ 64,682	\$ 5,049,947	\$ 5,114,629
Contributions and net investment return	4,443	18,327,823	18,332,266
Disbursements	<u>(10,636)</u>	<u>(16,231,764)</u>	<u>(16,242,650)</u>
Ending balance	<u>\$ 58,488</u>	<u>\$ 7,146,006</u>	<u>\$ 7,204,245</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, 2025 and 2024 were \$701,704 and \$17,084,935, respectively.

**Yampa Valley Community Foundation**  
**Notes to Financial Statements**  
**December 31, 2025**

(with summarized financial information as of and for the year ended December 31, 2024)

**9. Net Assets with Donor Restrictions**

Net assets with donor restrictions as of December 31, 2025 and 2024 were as follows:

	<b>2025</b>	<b>2024</b>
Donor restricted endowment funds	\$ 10,429,656	\$ 9,527,564
Purpose restricted funds	-	8,361
Contributions receivable	381,799	405,607
Total net assets with donor restrictions	\$ 10,811,455	\$ 9,941,532

Net assets released from donor restrictions for the year ended December 31, 2025 and 2024 respectively were as follows:

	<b>2025</b>	<b>2024</b>
Appropriation from donor endowment	\$ -	\$ 101,101
Distribution to donor specified beneficiaries	390,960	2,000
Transfer of remaining balance to board designated building reserve endowment fund	23,054	531,735
Payments received on capital campaign promises to give	-	100,508
	\$ 414,014	\$ 735,344

**10. Liquidity and Availability of Funds**

The following represents the Foundation's financial assets as of December 31, 2025, 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**  
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(with summarized financial information as of and for the year ended December 31, 2024)

**10. Liquidity and Availability of Funds (continued)**

Cash and cash equivalents	\$ 10,287,875
Investments	68,480,626
Endowment funds	19,137,438
Contributions receivable	384,109
	98,290,047
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(10,811,455)
Amounts held for agency funds	(8,469,790)
Board-designated endowment funds	(8,707,782)
Donor-advised funds and other funds, primarily for long-term investing	(67,864,487)
Unrestricted financial assets available to meet general expenditures and liabilities within one year	\$ 2,436,534

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 two large contributions to a donor advised fund from one donor representing approximately 60% and 24% of its gross contributions for the years ended December 31, 2025 and 2024, respectively.

**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 \$22,514 and \$18,759 to the plan for the years ended December 31, 2025 and 2024, respectively.

# Yampa Valley Community Foundation

## Notes to Financial Statements

December 31, 2025

(with summarized financial information as of and for the year ended December 31, 2024)

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### 13. Intentions to Give

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The Foundation has received indications of gifts in the form of bequests which are revocable during the donors' lifetime or, if irrevocable, the amounts 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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### 14. Commitments

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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 \$381,799 and \$348,430 from SSRC for the Passport Club members for the years ended December 31, 2025 and 2024, 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 to SSRC for parking privileges for the years ended December 31, 2025 and 2024.

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 1<sup>st</sup>.

The current Passport Club Program agreement expires April 30, 2026. The Foundation is currently in discussions with SSRC to renew the program for future years.

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### 15. Year in Review

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The Foundation made significant contributions to our Yampa Valley community in 2025:

- In 2025, the Foundation's grantmaking totaled \$14,422,505 million. Twenty-six new funds were established, including 10 donor advised funds, 11 designated and field of interest funds, 2 nonprofit agency funds, 1 program fund, and 2 scholarship funds.
- Perhaps the single most impactful accomplishment in the Foundation's history was its successful effort to save Casey's Pond in 2024. The 138-bed facility provides critical independent living, assisted living, and skilled nursing care to the Yampa Valley community. Within just three months of the facility being placed into receivership, more than \$30 million was raised from 421 donors. Today, Casey's Pond is operating at full capacity with a healthy wait list and received \$700,000 in grants from the Yampa Valley Community Foundation in 2025, underscoring the Foundation's ongoing commitment to ensuring the facility remains financially viable and a sustainable community asset.

# Yampa Valley Community Foundation

## Notes to Financial Statements

December 31, 2025

(with summarized financial information as of and for the year ended December 31, 2024)

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### 15. Year in Review (continued)

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- In March 2025, the Foundation issued its first impact investment loan from the Long-Term Investment Portfolio (LTIP) and completed four additional impact loans over the remainder of the year. Impact investments may comprise up to 5% of the LTIP's total balance. By authorizing loans from the investment portfolio, the Foundation is able to deploy capital for direct social impact in the community while continuing to generate modest financial returns.
- In August 2025, the Yampa Valley Community Foundation was designated by the State of Colorado as a "community contribution project" within the Northwest Colorado Enterprise Zone. Annual donations of \$250 or more to the YVCF General Operating Fund and designated for Economic Development Initiatives may qualify for the Colorado Enterprise Zone Tax Credit. As it is quite rare for community foundations to be approved for the EZ Tax Credit for donations to general operating, this designation demonstrates that YVCF's work is understood to play a direct and critical role in tackling current challenges faced by the communities of Northwest Colorado.
- In response to the Elk, Lee, and Crosho wildfires in Northwest Colorado, the Yampa Valley Community Foundation activated the Yampa Valley Disaster Recovery Fund, along with funds specifically designated for Elk & Lee recovery and Crosho recovery. In 2025, donations to these three funds exceeded \$278,000, with more than \$175,000 granted to businesses and individuals directly impacted by the fires. The Foundation anticipates additional grant requests in Spring 2026 as expected erosion from rainfall in the Spring is likely to cause erosion which will impact agricultural ditches, pastures, and culverts.
- Yampa Valley Community Foundation was instrumental in leadership on convening, visioning and fundraising of a new mental health program called the HOPE Initiative, including establishment of the HOPE Initiative Fund to fundraise for the initial two-year pilot of this program. This project will be launched in Routt County under The Health Partnership, and aims to fill a major gap in our existing mental health resources, providing a community-wide peer support system on a 24/7 "warm line" as a front-door single-entry point for community members to be connected to support and resources, referrals, mental health and SUD treatment, and crisis prevention and response teams.

**Yampa Valley Community Foundation**  
**Notes to Financial Statements**  
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(with summarized financial information as of and for the year ended December 31, 2024)

**16. Subsequent Events**

The Foundation has evaluated subsequent events through May 14, 2026, the date these financial statements were available to be issued publicly.

On April 27, 2026, the Foundation closed its fourth impact loan from the Yampa Valley Housing Accelerator Fund to support the Hayden Municipal Housing Authority's (HMHA) acquisition of Pinyon Pines Estates. The 63-unit mobile home park is home to approximately 7% of the Town of Hayden's population. Through this acquisition, HMHA and the Town are now directly invested in the long-term affordability and preservation of the Pinyon Pines Estates community.

**17. Restatement of Prior Year Financial Statements**

Subsequent to the issuance of the prior year financial statements, the Foundation reassessed the classification of certain funds related to pass-through activity. The Foundation determined that the funds are held on behalf of third parties and should be classified as agency funds (liabilities).

In addition, the Foundation determined that certain notes receivable issued at below-market interest rates were not recorded at their present value in accordance with generally accepted accounting principles. Accordingly, a discount on notes receivable was recorded to reflect the present value of future cash flows using a market rate of interest at the time of origination.

As a result of these adjustments, beginning net assets were reduced by \$2,293,891, and liabilities were increased by \$341,944. Notes receivable, net, were reduced by \$1,951,947. This restatement had no effect on the net change in net assets for the current year.

The effect of the restatement on the previously issued financial statements is as follows:

Account	As Previously Reported	Adjustment	As Restated
Agency funds held for other organizations	\$ (6,862,301)	\$ (341,944)	\$ (7,204,245)
Discount on notes receivable	-	(1,951,947)	(1,951,947)
Net assets	\$ 81,070,565	\$ (2,293,891)	\$ 78,776,675