

WYOMING COMMUNITY FOUNDATION

FINANCIAL REPORT

December 31, 2008 and 2007

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Mader Tschacher Peterson & Co., LLC

Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wyoming Community Foundation
Laramie, Wyoming

We have audited the accompanying statements of financial position of Wyoming Community Foundation (a non-profit organization) as of December 31, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wyoming Community Foundation as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Mader Tschacher Peterson & Co., LLC

Laramie, Wyoming
May 4, 2009

WYOMING COMMUNITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 5,053,880	\$ 3,420,665
Investments (Note 2)	41,997,861	60,383,161
Investment income receivable	6,271	16,846
Pledges receivable (Note 3)	17,017	277,938
Other receivables	23,492	28,788
Other assets	18,552	29,353
Property and equipment (Note 4)	<u>65,593</u>	<u>94,635</u>
 Total Assets	 <u>\$ 47,182,666</u>	 <u>\$ 64,251,386</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 57,417	\$ 49,978
Grants payable	528,934	666,427
Accrued expenses	11,480	6,547
Deferred revenue (Note 7)	8,750	17,500
Funds held as agency endowments (Note 9)	<u>6,630,851</u>	<u>8,727,404</u>
 Total Liabilities	 <u>7,237,432</u>	 <u>9,467,856</u>
Net Assets		
Unrestricted	39,898,454	54,459,958
Temporarily restricted	<u>46,780</u>	<u>323,572</u>
 Total Net Assets	 <u>39,945,234</u>	 <u>54,783,530</u>
 Total Liabilities and Net Assets	 <u>\$ 47,182,666</u>	 <u>\$ 64,251,386</u>

See Notes to Financial Statements.

WYOMING COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2008

	<u>For the Year Ended December 31, 2008</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and other support			
Contributions	\$ 4,705,634	\$ -	\$ 4,705,634
Less: Amounts received for			
agency endowments (Note 9)	(701,311)	-	(701,311)
Pledge revenue, net of write offs	-	500	500
Unrealized and realized gains/(losses)	(15,655,014)	-	(15,655,014)
Interest and dividends	1,047,143	-	1,047,143
Other income	605,464	-	605,464
Net assets released from restrictions			
satisfaction of donor restrictions	<u>277,292</u>	<u>(277,292)</u>	<u>-</u>
Total revenue and other support	<u>(9,720,792)</u>	<u>(276,792)</u>	<u>(9,997,584)</u>
Expenses			
Grants	2,789,521	-	2,789,521
Less: Grants made from agency			
endowments (Note 9)	(254,108)	-	(254,108)
Program expense	684,424	-	684,424
Supporting service expenses			
General and administrative	1,056,954	-	1,056,954
Fundraising	442,441	-	442,441
Investment fees	<u>121,480</u>	<u>-</u>	<u>121,480</u>
Total expenses	<u>4,840,712</u>	<u>-</u>	<u>4,840,712</u>
Change in net assets	(14,561,504)	(276,792)	(14,838,296)
Net assets at beginning of year	<u>54,459,958</u>	<u>323,572</u>	<u>54,783,530</u>
Net assets at end of year	<u>\$ 39,898,454</u>	<u>\$ 46,780</u>	<u>\$ 39,945,234</u>

See Notes to Financial Statements.

WYOMING COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2007

	<u>For the Year Ended December 31, 2007</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and other support			
Contributions	\$ 5,838,615	\$ -	\$ 5,838,615
Less: Amounts received for			
agency endowments (Note 9)	(1,351,640)	-	(1,351,640)
Pledge revenue, net of write offs	-	8,900	8,900
Interest and dividends	1,474,745	-	1,474,745
Unrealized and realized gains	2,381,831	-	2,381,831
Other income	615,976	-	615,976
Net assets released from restrictions			
satisfaction of donor restrictions	<u>11,153</u>	<u>(11,153)</u>	<u>-</u>
Total revenue and other support	<u>8,970,680</u>	<u>(2,253)</u>	<u>8,968,427</u>
Expenses			
Grants	3,338,445	-	3,338,445
Less: Grants made from agency			
endowments (Note 9)	(285,439)	-	(285,439)
Program expense	462,049	-	462,049
Supporting service expenses			
General and administrative	909,449	-	909,449
Fundraising	251,329	-	251,329
Investment fees	<u>153,414</u>	<u>-</u>	<u>153,414</u>
Total expenses	<u>4,829,247</u>	<u>-</u>	<u>4,829,247</u>
Change in net assets	4,141,433	(2,253)	4,139,180
Net assets at beginning of year	<u>50,318,525</u>	<u>325,825</u>	<u>50,644,350</u>
Net assets at end of year	<u>\$ 54,459,958</u>	<u>\$ 323,572</u>	<u>\$ 54,783,530</u>

See Notes to Financial Statements.

WYOMING COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2008

	Program Expenses	General & Admin Expenses	Fundraising Expenses	Total Expenses
Administrative fees	-	460,552	-	460,552
Salaries	206,703	156,175	96,461	459,339
Retirement benefits	12,082	9,128	5,638	26,848
Health Insurance benefits	27,675	20,910	12,915	61,500
Payroll taxes	24,864	18,786	11,603	55,253
Disability insurance benefit	2,574	1,945	1,201	5,720
Travel	30,637	23,148	14,297	68,082
Automobile	1,671	1,262	780	3,713
Board meeting	-	12,708	-	12,708
Advertising/marketing	-	-	117,825	117,825
Donor development	-	-	5,220	5,220
Office supplies	18,545	14,012	8,655	41,212
Web site	6,155	4,650	2,872	13,677
Telephone	11,708	8,846	5,464	26,018
Office lease	9,934	7,506	4,636	22,076
Postage and freight	6,322	4,777	2,950	14,049
Photocopying	2,632	1,989	1,228	5,849
Bank charges	-	1,418	-	1,418
Repairs and maintenance	2,074	1,567	968	4,609
Depreciation	-	50,704	-	50,704
Commercial printing	19,299	14,581	9,006	42,886
Legal fees	-	6,430	-	6,430
Accounting fees	-	7,515	-	7,515
Consultants/Other contractual	153,704	116,132	71,728	341,564
Project expenses	115,833	87,518	54,055	257,406
Seminar expense	8,790	6,641	4,102	19,533
BOD scholarships	-	509	-	509
Insurance	4,007	3,027	1,870	8,904
Registration and training	1,409	1,065	658	3,132
Reference materials	307	232	143	682
Dues and subscriptions	5,648	4,267	2,636	12,551
IT maintenance	11,127	8,407	5,192	24,726
Miscellaneous expense	724	547	338	1,609
	<u>684,424</u>	<u>1,056,954</u>	<u>442,441</u>	<u>2,183,819</u>
Total expenses	<u>\$ 684,424</u>	<u>\$ 1,056,954</u>	<u>\$ 442,441</u>	<u>\$ 2,183,819</u>

See Notes to Financial Statements.

WYOMING COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2007

	Program Expenses	General & Admin Expenses	Fundraising Expenses	Total Expenses
Administrative fees	-	489,038	-	489,038
Salaries	174,105	131,546	81,249	386,900
Retirement benefits	10,215	7,718	4,767	22,700
Health Insurance benefits	17,573	13,278	8,201	39,052
Payroll taxes	26,251	19,834	12,251	58,336
Disability insurance benefit	3,365	2,543	1,570	7,478
Travel	19,975	15,092	9,321	44,388
Automobile	2,556	1,931	1,193	5,680
Board meeting	-	7,782	-	7,782
Advertising/marketing	-	-	30,479	30,479
Donor development	-	-	5,228	5,228
Office supplies	13,435	10,151	6,270	29,856
Web site	2,364	1,786	1,103	5,253
Telephone	9,584	7,241	4,472	21,297
Office lease	9,761	7,375	4,555	21,691
Postage and freight	6,269	4,736	2,925	13,930
Photocopying	1,957	1,479	913	4,349
Bank charges	-	1,764	-	1,764
Repairs and maintenance	4,225	3,192	1,972	9,389
Depreciation	-	48,500	-	48,500
Commercial printing	11,267	8,513	5,258	25,038
Legal fees	-	5,551	-	5,551
Accounting fees	-	7,710	-	7,710
Consultants/Other contractual	58,398	44,123	27,253	129,774
Project expenses	54,888	41,471	25,615	121,974
Seminar expense	8,079	6,104	3,770	17,953
Insurance	1,930	1,458	901	4,289
Registration and training	2,415	1,824	1,127	5,366
Reference materials	159	120	74	353
Dues and subscriptions	4,771	3,605	2,227	10,603
IT maintenance	11,048	8,347	5,156	24,551
Miscellaneous expense	7,459	5,637	3,479	16,575
Total expenses	<u>\$ 462,049</u>	<u>\$ 909,449</u>	<u>\$ 251,329</u>	<u>\$ 1,622,827</u>

See Notes to Financial Statements.

WYOMING COMMUNITY FOUNDATION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Change in net assets	\$ (14,838,296)	\$ 4,139,180
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	50,704	48,500
Unrealized/realized (gain)/loss on investments	15,655,014	(2,381,831)
(Increase) or decrease in:		
Investment income receivable	10,575	36,709
Pledges receivable	260,921	67,279
Other receivables	5,296	12,441
Other assets	10,801	(3,393)
Increase or (decrease) in:		
Accounts payable	7,439	(1,266)
Grants payable	(137,493)	96,730
Accrued expenses	4,933	1,742
Deferred revenue	(8,750)	(8,750)
Funds held as agency endowments	<u>(2,096,553)</u>	<u>1,537,999</u>
Net cash from operating activities	<u>(1,075,409)</u>	<u>3,545,340</u>
Cash flows from investing activities:		
Purchase of property and equipment	(21,662)	(37,024)
Proceeds from sale of investments	16,939,372	9,704,507
Purchase of investments	<u>(14,209,086)</u>	<u>(13,086,136)</u>
Net cash from investing activities	<u>2,708,624</u>	<u>(3,418,653)</u>
Net change in cash	1,633,215	126,687
Cash at beginning of year	<u>3,420,665</u>	<u>3,293,978</u>
Cash at end of year	<u>\$ 5,053,880</u>	<u>\$ 3,420,665</u>

See Notes to Financial Statements.

WYOMING COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Wyoming Community Foundation is a non-profit, public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and incorporated under the laws of the State of Wyoming. The Foundation is a statewide organization whose purpose is to receive property to be administered exclusively for charitable purposes, to make distributions to qualified charitable organizations or for charitable purposes and to manage investments of endowment funds which support these purposes. The Foundation has affiliate and local advisory committees throughout the state.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States. Under generally accepted accounting principles, non-profit organizations are required to report information regarding their financial position and activities according to three classes of net assets: permanently restricted net assets, temporarily restricted net assets and unrestricted net assets. Under the Foundation's governing documents and applicable laws, the Foundation has the right and power to vary the use of certain gifts from their original donor-prescribed purpose. Based on this variance power, the Foundation classifies all net assets as unrestricted, other than those on which time or purpose restrictions have been placed by the donor. Accordingly, the Foundation reports its assets in the following classes:

NOTES TO FINANCIAL STATEMENTS

Unrestricted Net Assets

Unrestricted net assets are those over which the Board of Directors of the Foundation retains control to use in achieving its institutional mission.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those on which a time restriction has been placed by a donor. When a donor restriction expires, that is, when a stipulated time restriction ends, temporarily restricted net assets are reclassified to unrestricted.

Accounting Standards provide that if the governing body of an organization has the ability to remove a donor restriction, the contribution should be classified as unrestricted.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

Contributions received are recorded as unrestricted or temporarily restricted, depending on the existence and/or nature of any donor restrictions. The Foundation has not received any permanently restricted support.

Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and its interpretations provide that if the governing body of an organization has the ability to remove a donor restriction (i.e., variance power), the contribution should be classified as an unrestricted net asset. To ensure tax deductibility of donors' gifts, the Foundation is required by the IRS to exercise final discretion concerning expenditures from its funds. Accordingly, all net assets and related activity over which the management of the

NOTES TO FINANCIAL STATEMENTS

Foundation exercises direct control are classified as unrestricted net assets in the accompanying financial statements.

However, if the donor has indicated a desire to support a particular area of interest or organization, Foundation management will designate the contribution for that use.

The Foundation solicits a variety of contributions to fund its grants including donor advised funds. Donor advised funds allow for the donor to recommend distributions to Foundation beneficiaries or other charitable organization approved by the Foundation. Although they generally fulfill the donor's recommendation, use of donor-advised funds are subject to approval by the Foundation's Board and are therefore classified as unrestricted net assets.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other time- or purpose-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Pledges Receivable (Promises to Give)

Unconditional promises to give, less an allowance for uncollectible amounts, are recognized as revenue in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions receivable are the most common type of gifts with time restrictions and should be classified as temporarily restricted.

Deferred Revenue

Revenue received for future years is deferred and will be recognized in the periods to which it relates.

NOTES TO FINANCIAL STATEMENTS

Advertising Costs

Advertising costs are expensed when incurred. Advertising expense for the years ended December 31, 2008 and 2007 amounted to \$117,825 and \$30,479, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Foundation accounts for investments under Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statements of Financial Position. Realized and unrealized gains and losses are reflected in the Statement of Activities in the year earned.

Fixed Assets and Depreciation

Property and equipment are stated at cost, net of any applicable depreciation. All expenditures for furniture, equipment and vehicles in excess of \$1,500 are capitalized. Items that are less than the capitalization threshold are expensed in the year acquired. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Furniture and equipment	3-5 years
Vehicle	4 years

Functional Expense Allocations

Expenses relating to more than one function are allocated to program service, general and administrative and fundraising costs based on employee time estimates or other appropriate usage factors.

NOTES TO FINANCIAL STATEMENTS

Total Columns

Total columns are presented to facilitate financial analysis. Amounts in these columns do not present financial position and results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Concentrations

The Foundation maintains certain cash balances on deposit with several financial institutions and are insured by the Federal Deposit Insurance Corporation (FDIC). During the year ended December 31, 2008, the FDIC increased the insurance limit from \$100,000 to \$250,000. In the event that an account exceeds the FDIC limit, the balances are then covered by pledged securities or a repurchase investment sweep account.

Note 2. Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. The Foundation carries its real estate investments at fair market value as of the dates the investments were donated to the Foundation. Cost at December 31, 2008 and 2007 was \$55,959,519 and \$57,991,811, respectively. Unrealized gains and (losses) for the year ending December 31, 2008 and 2007 were (\$17,482,003) and \$1,490,262, respectively.

Note 3. Pledges Receivable (Promises to Give)

Contributions receivable represent promises to give which have been made by donors but have not yet been received by the Foundation.

NOTES TO FINANCIAL STATEMENTS

Total promises to give were as follows at December 31, 2008 and 2007:

	2008	2007
Due within 1 year	\$ 17,017	\$ 277,938
Due 1 to 5 years	-	-
Due 5 years and later	-	-
Total pledges receivable	\$ 17,017	\$ 277,938

Note 4. Fixed Assets

At December 31, 2008 and 2007, the costs and related accumulated depreciation of fixed assets consisted of the following:

	2008		
	Cost	Accumulated Depreciation	Net
	Furniture and equipment	\$ 183,625	\$ 147,138
Vehicles	48,670	19,564	29,106
	\$ 232,295	\$ 166,702	\$ 65,593

	2007		
	Cost	Accumulated Depreciation	Net
	Furniture and equipment	\$ 195,223	\$ 129,873
Vehicles	36,681	7,396	29,285
	\$ 231,904	\$ 137,269	\$ 94,635

Depreciation expense for the year ended December 31, 2008 and 2007 was \$50,704 and \$48,500, respectively, and is reported in general and administrative expense in the unrestricted fund category.

Note 5. Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable

NOTES TO FINANCIAL STATEMENTS

contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Note 6. Pension Plan

The employees of the Foundation are covered by a Simplified Employee Retirement Plan (SEP). Employees are eligible to participate in this plan on the first of the month following their hire date and after attaining the age of 21. The Foundation's SEP contribution rate for 2008 and 2007 was 6%.

Contributions to the SEP plan for the years ended December 31, 2008 and 2007 were \$26,848 and \$22,701, respectively.

Note 7. Deferred Revenue

The Foundation was awarded \$50,000 in 2005 from the Tom Thorne fund to cover training and to create a board advisory committee for Tom Thorne and the Upper Green River Sustainable Communities Endowment Fund (UGR). In 2005, the Foundation received \$15,000. The remaining funds are being received evenly until 2009. The deferred revenue for the years ended December 31, 2008 and 2007 were \$8,750 and \$17,500, respectively.

Note 8. Commitments

On May 15, 2006 the Foundation entered into a three-year lease of office facilities located in downtown Laramie, Wyoming for \$1,400 per month. On February 1, 2007, the Foundation signed an amendment to their original lease to lease the remainder of the ground floor at an additional cost of \$350 per month. Rent expense was \$22,076 and \$21,691 for the year ended December 31, 2008 and 2007, respectively.

Note 9. Agency Endowment Funds

The Foundation has adopted Statement of Financial Accounting Standard No. 136. *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others* (SFAS 136). This statement establishes standards for transactions in which a foundation accepts a

NOTES TO FINANCIAL STATEMENTS

contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. SFAS 136 specifically requires that if a Not-for-Profit Organization (NPO) establishes a fund at a foundation with its own funds and specifies itself as a beneficiary of that fund, the foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments.

The Foundation maintains variance power and legal ownership of agency endowment funds and as such continues to report the funds as assets of the Foundation. However, in accordance with SFAS 136, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the NPOs.

The Foundation elected to adopt SFAS 136 as a cumulative effect of a change in accounting principle during the fiscal year ended June 30, 2004. All additions and reductions to the agency endowment funds previously recorded as contribution revenue, investment income or grant expense have been reclassified to the agency endowment liability.

The following table summarizes activity in the agency endowment fund during the years ended December 31, 2008 and 2007:

	2008	2007
Agency endowment fund balances		
at January 1	\$ 8,727,404	\$ 7,189,405
New contributions	701,311	1,351,640
Investment income	156,748	209,202
Net unrealized and realized investment gains and losses	(2,592,566)	370,629
Grants made	(254,108)	(285,439)
Investment fees	(22,065)	(25,395)
Administrative fees	(85,873)	(82,638)
Agency endowment fund balances at December 31	\$ 6,630,851	\$ 8,727,404

NOTES TO FINANCIAL STATEMENTS

Note 10. Financial Instruments

The carrying amount reported in the statements of financial position for cash, pledges receivable, other receivables, and accounts payable approximate fair value because of the immediate or short term maturities of these financial instruments.