



Wyoming Community Foundation

Financial Statements

Years Ended December 31, 2021 and 2020

Wyoming Community Foundation

Financial Statements

Years Ended December 31, 2021 and 2020

Wyoming Community Foundation

Contents

| | |
|-------------------------------------|-------|
| Independent Auditor's Report | 4-5 |
| Financial Statements | |
| Statements of Financial Position | 8 |
| Statements of Activities | 9 |
| Statements of Functional Expenses | 10-11 |
| Statements of Cash Flows | 12 |
| Notes to the Financial Statements | 13-28 |



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Independent Auditor's Report

Board of Directors
Wyoming Community Foundation
Laramie, Wyoming

Opinion

We have audited the financial statements of Wyoming Community Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, LLP

June 14, 2022

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Financial Statements

Wyoming Community Foundation

Statements of Financial Position

| <i>December 31,</i> | 2021 | 2020 |
|---|-----------------------|-----------------------|
| Assets | | |
| Cash | \$ 4,318,420 | \$ 4,945,854 |
| Assets held for sale | 1,300,000 | 2,650,000 |
| Investments | 170,194,351 | 142,601,226 |
| Investments held as agency endowments | 32,276,296 | 27,518,611 |
| Investments held on behalf of others | 5,920,138 | 6,306,520 |
| Receivables | 10,824 | 27,236 |
| Prepaid expenses | 14,607 | 29,080 |
| Property and equipment, net of accumulated depreciation | 863,716 | 812,219 |
| Deposits | 500 | 500 |
| Total Assets | \$ 214,898,852 | \$ 184,891,246 |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | \$ 173,383 | \$ 77,007 |
| Accrued expenses | 135,590 | 83,143 |
| Grants payable | 2,199,929 | 1,906,078 |
| Total Current Liabilities | 2,508,902 | 2,066,228 |
| Long-term Liabilities | | |
| Deposits | 500 | 500 |
| Contractual obligation | 598,742 | 598,115 |
| Funds held as agency endowments | 32,276,296 | 27,518,611 |
| Funds held in trust | 5,770,218 | 6,468,316 |
| Total Long-term Liabilities | 38,645,756 | 34,585,542 |
| Total Liabilities | 41,154,658 | 36,651,770 |
| Net Assets | | |
| Without donor restrictions: | | |
| Board designated operating funds | 4,881,100 | 4,380,603 |
| Board designated endowment funds | 133,968,257 | 111,545,253 |
| Board designated non-endowment funds | 34,894,837 | 32,313,620 |
| Total Net Assets Without Donor Restrictions | 173,744,194 | 148,239,476 |
| Total Liabilities and Net Assets | \$ 214,898,852 | \$ 184,891,246 |

See accompanying notes to financial statements.

Wyoming Community Foundation

Statements of Activities

| <i>Year ended December 31,</i> | 2021 | 2020 |
|--|-----------------------|-----------------------|
| Revenues and Other Support | | |
| Contributions | \$ 6,562,790 | \$ 12,592,846 |
| Net investment return | 27,357,720 | 13,785,642 |
| Special events revenue | 235,145 | 253,444 |
| Less cost of direct benefits to donors | (142,082) | (118,631) |
| Administrative fee | 2,019,375 | 1,650,539 |
| Paycheck Protection Program loan forgiveness | - | 291,580 |
| Other income | 106,126 | 239,483 |
| Total Revenues and Other Support | 36,139,074 | 28,694,903 |
| Expenses | | |
| Program expenses | 9,121,814 | 8,218,597 |
| Supporting service expenses | | |
| General and administrative expenses | 1,009,714 | 985,975 |
| Fundraising expenses | 502,828 | 531,605 |
| Total Expenses | 10,634,356 | 9,736,177 |
| Change in Net Assets | 25,504,718 | 18,958,726 |
| Net Assets, beginning of year | 148,239,476 | 129,280,750 |
| Net Assets, end of year | \$ 173,744,194 | \$ 148,239,476 |

See accompanying notes to financial statements.

Wyoming Community Foundation

Statement of Functional Expenses

| Year ended December 31, 2021 | Program Expenses | General and Administrative Expenses | Fundraising Expenses | Total Expenses |
|-----------------------------------|---------------------|-------------------------------------|----------------------|----------------------|
| Awarded grants | \$ 6,207,208 | \$ - | \$ - | \$ 6,207,208 |
| Administrative fees | 1,656,988 | - | - | 1,656,988 |
| Salaries and benefits | 565,725 | 840,243 | 373,160 | 1,779,128 |
| Consultants and other contractual | 248,807 | - | 10,560 | 259,367 |
| Fiscal sponsorship | 172,320 | - | - | 172,320 |
| IT maintenance | 35,015 | 32,798 | 19,956 | 87,769 |
| Advertising and marketing | 52,757 | - | 19,663 | 72,420 |
| Depreciation and amortization | 22,785 | 21,342 | 12,986 | 57,113 |
| Commercial printing | 29,825 | - | 12,347 | 42,172 |
| Travel and auto | 20,301 | 12,852 | 7,820 | 40,973 |
| Professional fees | 8,934 | 30,462 | - | 39,396 |
| Insurance | 12,572 | 9,786 | 5,954 | 28,312 |
| Telephone | 9,044 | 8,472 | 5,155 | 22,671 |
| Repairs and maintenance | 7,304 | 15,071 | - | 22,375 |
| Office supplies and general | 11,996 | 6,021 | 3,010 | 21,027 |
| Dues and subscriptions | 9,921 | 5,039 | 3,066 | 18,026 |
| Postage and freight | 7,243 | 1,568 | 8,467 | 17,278 |
| Website | 10,579 | - | 5,118 | 15,697 |
| Board meeting | 653 | 12,613 | - | 13,266 |
| Bank and credit card charges | 6,044 | 3,266 | 1,987 | 11,297 |
| Office lease | 4,213 | 3,946 | 2,401 | 10,560 |
| Registration and training | 5,503 | 3,137 | 1,908 | 10,548 |
| Property taxes | 10,340 | - | - | 10,340 |
| Utilities | 2,933 | 1,918 | 1,167 | 6,018 |
| Lobbying expense | - | - | 4,500 | 4,500 |
| Membership services/development | 1,544 | - | 2,885 | 4,429 |
| Photocopying | 1,260 | 1,180 | 718 | 3,158 |
| Total Expenses | \$ 9,121,814 | \$ 1,009,714 | \$ 502,828 | \$ 10,634,356 |

See accompanying notes to financial statements.

Wyoming Community Foundation

Statement of Functional Expenses

| Year ended December 31, 2020 | Program Expenses | General and Administrative Expenses | Fundraising Expenses | Total Expenses |
|-----------------------------------|---------------------|---|-------------------------|---------------------|
| Awarded grants | \$ 5,334,672 | \$ - | \$ - | \$ 5,334,672 |
| Administrative fees | 1,227,672 | - | - | 1,227,672 |
| Salaries and benefits | 576,738 | 808,135 | 380,514 | 1,765,387 |
| Consultants and other contractual | 297,174 | 27,922 | 34,458 | 359,554 |
| Fiscal sponsorship | 462,111 | - | - | 462,111 |
| IT maintenance | 36,720 | 36,042 | 21,260 | 94,022 |
| Advertising and marketing | 67,946 | - | 18,865 | 86,811 |
| Depreciation and amortization | 25,329 | 24,859 | 14,663 | 64,851 |
| Commercial printing | 51,042 | - | 20,154 | 71,196 |
| Travel and auto | 16,931 | 9,895 | 5,836 | 32,662 |
| Professional fees | 8,373 | 12,211 | - | 20,584 |
| Insurance | 12,901 | 8,908 | 5,254 | 27,063 |
| Telephone | 8,388 | 8,232 | 4,856 | 21,476 |
| Repairs and maintenance | 1,036 | 16,850 | - | 17,886 |
| Office supplies and general | 6,874 | 3,619 | 1,810 | 12,303 |
| Dues and subscriptions | 7,418 | 4,303 | 2,538 | 14,259 |
| Postage and freight | 16,874 | 5,280 | 3,114 | 25,268 |
| Website | 1,440 | - | 809 | 2,249 |
| Board meeting | - | 2,096 | - | 2,096 |
| Bank and credit card charges | 6,584 | 2,697 | 1,591 | 10,872 |
| Office lease | 4,036 | 3,962 | 2,337 | 10,335 |
| Registration and training | 5,112 | 3,638 | 2,146 | 10,896 |
| Property taxes | 21,378 | - | - | 21,378 |
| Utilities | 2,166 | 1,605 | 946 | 4,717 |
| Lobbying expense | - | 4,500 | - | 4,500 |
| Membership services/development | 154 | - | 9,734 | 9,888 |
| Photocopying | 3,112 | 1,221 | 720 | 5,053 |
| Miscellaneous expense | 16,416 | - | - | 16,416 |
| Total expenses | \$ 8,218,597 | \$ 985,975 | \$ 531,605 | \$ 9,736,177 |

See accompanying notes to financial statements.

Wyoming Community Foundation

Statements of Cash Flows

| <i>Year ended December 31,</i> | 2021 | 2020 |
|---|---------------------|---------------------|
| Cash provided by operating activities | | |
| Change in net assets | \$ 25,504,718 | \$ 18,958,726 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 57,113 | 64,851 |
| Unrealized/realized (gain) on investments and assets held for sale | (21,968,698) | (11,074,653) |
| Paycheck Protection Program loan forgiveness | - | (291,580) |
| (Increase) or decrease in: | | |
| Receivables | 16,412 | 8,492 |
| Prepaid expenses | 14,473 | 33,132 |
| Increase or (decrease) in: | | |
| Accounts payable | 96,376 | (41,891) |
| Accrued expenses | 52,447 | 27,185 |
| Grants payable | 293,851 | (307,767) |
| Contractual obligation | 627 | 28,784 |
| Funds held as agency endowments | 4,757,685 | 1,757,848 |
| Funds held in trust | (698,098) | (1,004,273) |
| Net cash provided by operating activities | 8,126,906 | 8,158,854 |
| Cash used in investing activities | | |
| Purchase of property and equipment | (108,610) | (98,837) |
| Proceeds from sale of real estate lots | 1,000,000 | 150,000 |
| Proceeds from sale of investments | 22,060,749 | 13,153,042 |
| Purchase of investments | (31,706,479) | (22,379,966) |
| Net cash used in investing activities | (8,754,340) | (9,175,761) |
| Cash provided by financing activities | | |
| Proceeds from Paycheck Protection Program loan | - | 291,580 |
| Net cash provided by financing activities | - | 291,580 |
| Net decrease in cash | (627,434) | (725,327) |
| Cash, beginning of year | 4,945,854 | 5,671,181 |
| Cash, end of year | \$ 4,318,420 | \$ 4,945,854 |

See accompanying notes to financial statements.

Wyoming Community Foundation

Notes to Financial Statements

1. Purpose of Foundation and Summary of Significant Accounting Policies

Purpose

The Wyoming Community Foundation (the Foundation) is a non-profit, public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) 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.

Since its inception, the Foundation's goal has been "connecting people who care with causes that matter to build a better Wyoming." The Foundation manages over 400 donor-advised, field of interest and agency funds. By conducting two competitive grant cycles a year, the Foundation gives support to charitable projects and initiatives throughout the state. The Foundation has affiliate/local advisory committees tied to geographic locations across the state that help advise as part of the grantmaking process.

In addition, the Foundation has three priority funds that serve specific interests across the state. Each priority fund has a dedicated staff responsible for working with donors and focusing on their field of interest.

- Wyoming Women's Foundation
- Wyoming Wildlife Foundation
- Wyoming Afterschool Alliance

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Such estimates also impact reported amounts of revenues and expenses during the year. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to enhance compatibility with the current year's financial statements. These reclassifications had no effect on the reported results of operations.

Wyoming Community Foundation

Notes to Financial Statements

Concentrations of Risk

The Foundation's assets that are exposed to risk consist primarily of cash, assets held for sale, cash equivalents and investments, and receivables.

Cash - In the normal course of business, the Foundation maintains balances at financial institutions with amounts in excess of the federally insured limits. The Foundation has never experienced any losses related to these balances. Assets held for sale - These amounts are exposed to real estate market fluctuations.

Cash equivalents and investment securities - These amounts are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position. To manage risk, the Foundation has formal investment policies. The Foundation engages the services of a third-party investment consultant that assists with compliance with the policies and evaluation of performance.

Receivables - The Foundation's receivable balances consist primarily of amounts due from individuals and corporations. Historically, the Foundation has not experienced significant losses related to the notes receivable balances and, therefore, believes that the credit risk related to them is minimal.

Cash

The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash. The Foundation had a balance of \$4,318,420 and \$4,945,854 as of December 31, 2021 and 2020, respectively. The carrying balance of the Foundation's cash deposits in financial institutions was \$4,304,658 and \$5,001,912 and exceeded the FDIC Insurance limit of \$250,000 as of December 31, 2021 and 2020, respectively. The Foundation held these funds at one financial institution.

Cash Equivalents

The Foundation has several investments that are unrestricted and highly liquid, with an initial maturity of three months or less. These investments that are deemed to be cash equivalents have a balance of \$3,396,2292 and \$3,021,588 as of December 31, 2021 and 2020, respectively. The Foundation reports these assets as a component of investments.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at their fair values on the statements of financial position. Money market accounts are carried at fair value.

Wyoming Community Foundation

Notes to Financial Statements

Fair Value Measurements

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

- Level 1: Quoted prices available in active markets for identical assets.
- Level 2: Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data.
- Level 3: Unobservable inputs that reflect management's assumptions and best estimates based on available data.

As required by U.S. GAAP, the Foundation uses net asset value ("NAV") per share or its equivalent ("practical expedient"), such as member units or an ownership interest in partners' capital, to estimate the fair value of an alternative investment and requires additional fair value disclosures for the Foundation's alternative investments.

In estimating fair value of the investments valued using NAV, management may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, management evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

Property and Equipment

Property and equipment are stated at cost, net of any applicable depreciation and amortization. All expenditures for furniture, equipment, and vehicles in excess of \$500 are capitalized. Items that are less than the capitalization threshold are expensed in the year acquired. The Foundation has not adopted a policy for implying time restrictions on contributions of long-lived assets. Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

| | Years |
|----------------------------|-------|
| Buildings and improvements | 40 |
| Furniture and equipment | 3 - 5 |
| Vehicles | 4 |

Net Assets

The Foundation classifies net assets into two categories: without donor restrictions and with donor restrictions. All contributions and grants are considered to be available for general use unless specifically restricted by the donor.

Net assets without donor restrictions are those net assets over which the Board of Directors of the Foundation retains control to use in achieving its institutional mission. Net assets without donor restrictions consist of the following types of board designated funds:

Board designated operating funds - Funds used for the general operation of the Foundation.

Wyoming Community Foundation

Notes to Financial Statements

Board designated endowment funds and Board designated non-endowment funds - Both endowment and non-endowment funds can be subcategorized by the Foundation's management as follows: field of interest funds, discretionary funds, special projects/fiscal sponsorship funds, donor-advised funds, designated funds, agency funds, and scholarship funds.

Field of interest funds are used to support particular interests of the donor.

Discretionary funds are funds where the Foundation has complete discretion on where to make grants.

Special projects/fiscal sponsorship funds are temporary in nature, the funds are created for a specific purpose that has a short time frame. A fiscal sponsorship is a fund that is created jointly with another organization that has not yet received its tax-exempt status.

Donor-advised funds are established by donor contributions that enable donors to make recommendations from time to time about the distributions of the funds. The donors' advice in the grant-making process is considered by the Board in making grants from these resources.

Designated and agency funds are intended to benefit designated charitable organizations.

Scholarship funds are intended to assist students in obtaining an education.

Net assets with donor restrictions include contributions or grants with temporary, donor-imposed time and/or program restrictions. Net assets with donor restrictions are reported in the statements of activities and change in net assets as net assets released from restrictions when the time restrictions expire, or the funds are used for their restricted purpose. Net assets without donor restrictions are subject to the Foundation's fund requirements, including a variance power provision, but are considered with donor restrictions until funds are available for use. Net assets with donor restrictions consist of funds that are unavailable for use in the current period due to donor-imposed time restrictions that would otherwise be classified as donor-advised funds or other funds without donor restrictions. The Foundation does not have any net assets with donor restrictions at December 31, 2021 and 2020.

The Foundation's financial statements are prepared in accordance with the current authoritative guidance issued by the Financial Accounting Standards Board (the FASB). These standards provide that if the governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as without donor restrictions.

Revenue Recognition

The Foundation primarily derives its revenues from contributions of cash and investments from individuals, and the earnings on investments.

Wyoming Community Foundation

Notes to Financial Statements

Contributions

Accounting Standards Codification (ASC) 958-605, *Revenue Recognition*, 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 a net asset without donor restrictions. To ensure tax deductibility of donors' gifts, the Foundation is required by the Internal Revenue Service (IRS) to exercise final discretion concerning expenditures from its funds. Accordingly, all net assets and related activity over which the management of the Foundation exercises direct control are classified as net assets without donor restrictions 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 put forth prudent effort to honor donor intent in making use of that contribution.

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 organizations 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 net assets without donor restrictions.

Contributions and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Foundation records any contributed property, plant, and equipment at its fair market value on the date of the contribution.

Net Investment Return

Investment transactions are accounted for on the purchase or sale date of the investments. Net investment return is recognized on an accrual basis. Net investment return is accrued as earned and dividend revenue is recognized on the ex-dividend date. Realized gains and losses on sales of investments, as well as the unrealized appreciation or depreciation in value, are calculated using the average cost of investments and are reflected in the statements of activities. Investment fees are netted with investment return to calculate the final net investment return.

Grants

Grants are recorded as expenses when they are approved by the Board of Directors for payment. All grants are approved by the Board at quarterly board meetings. Occasionally, grants may be released prior to Board approval based on the recommendation of a fund's Advisory Committee as long as all due diligence has been satisfactorily completed by the Foundation staff. These are reported to the Board and approved after the fact.

Advertising Costs

Advertising costs are expensed when incurred. Advertising expense for the years ended December 31, 2021 and 2020 amounted to \$72,420 and \$86,811, respectively.

Wyoming Community Foundation

Notes to Financial Statements

Functional Expense Allocations

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function.

Functional expenses are those expenses incurred by the Foundation in the accomplishment of its stated mission. Functional expenses are recorded on the accrual basis of accounting. They can further be categorized as follows:

- Program services, including awarded grants, services to other non-profits, philanthropic leadership, and community leadership
- General and administrative, including expenses that benefit the Foundation as an entity and the management and accounting for funds, and
- Fundraising, including originating and maintaining relationships with donors.

Expenses which apply to more than one functional category have been allocated among program, general and administrative, and fundraising. Expenses allocated based on the time spent on these functions by specific employees include but are not limited to salaries and benefits, travel, and registration and training. Expenses allocated based on square footage include but are not limited to telephone, rent, utilities, insurance, and IT maintenance.

New Accounting Pronouncements Issued but Not Yet Adopted

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. ASU 2016-02 will be effective for the Foundation's fiscal year beginning after December 31, 2021. Management is currently evaluating the impact of adoption of this standard on its financial statements.

Subsequent Events

Management has evaluated subsequent events through June 14, 2022, the date which the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

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Wyoming Community Foundation

Notes to Financial Statements

2. Investments

The following tables set forth by level, within the fair value hierarchy, the Foundation's investment assets measured on a recurring basis at fair value.

| June 30, 2021 | Fair Value | Fair Value Measurements | | | Investments measured at NAV |
|--|-----------------------|--|---|---|-----------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Money Markets | | | | | |
| Cash and Cash equivalents | \$ 3,396,292 | \$ 3,396,292 | \$ - | \$ - | - |
| Fixed Income | | | | | |
| Government Agencies | 2,127,924 | 2,127,924 | - | - | - |
| Corporate Bonds | 2,651,407 | 2,651,407 | - | - | - |
| US Treasuries | 203,332 | 203,332 | - | - | - |
| Mutual funds | | | | | |
| Mutual Fund - Fixed Income - Domestic | 22,905,193 | 22,905,193 | - | - | - |
| Mutual Fund - Fixed Income - International | 9,432,588 | 9,432,588 | - | - | - |
| Mutual Fund - Domestic Small Cap | 50,771,255 | 50,771,255 | - | - | - |
| Mutual Fund - Domestic Large Cap | 31,649,750 | 31,649,750 | - | - | - |
| Mutual Fund - International Small Cap | 6,317,469 | 6,317,469 | - | - | - |
| Mutual Fund - International Large Cap | 22,190,772 | 22,190,772 | - | - | - |
| Mutual Fund - Real Estate | 14,546,344 | 14,546,344 | - | - | - |
| Mutual Fund - Energy/Natural Resources | 17,858,120 | 17,858,120 | - | - | - |
| Exchange-traded funds | | | | | |
| Exchange Traded Fund - Domestic Fixed Income ST Maturity | 1,565,040 | 1,565,040 | - | - | - |
| Exchange Traded Fund - Fixed Income - Domestic | 58,253 | 58,253 | - | - | - |
| Exchange Traded Fund - Fixed Income - International | 75,579 | 75,579 | - | - | - |
| Exchange Traded Product - Domestic Small Cap | 245,032 | 245,032 | - | - | - |
| Exchange Traded Fund - Domestic Large Cap | 15,151,517 | 15,151,517 | - | - | - |
| Exchange Traded Fund - International Small Cap | 5,851,622 | 5,851,622 | - | - | - |
| Exchange Traded Fund - International Large Cap | 131,435 | 131,435 | - | - | - |
| Exchange Traded Product - Energy/Natural Resources | 294,735 | 294,735 | - | - | - |
| Equity securities | | | | | |
| Equity - International Large Cap | 334,126 | 334,126 | - | - | - |
| Private Equity | | | | | |
| Venture Capital Fund of Funds | 633,000 | | - | - | 633,000 |
| Total Investments | \$ 208,390,785 | \$ 207,757,785 | \$ - | \$ - | 633,000 |

Investments related to funds held as agency endowments and funds held on behalf of others are included in the table above.

The Foundation's investments that are valued at net asset value have unfunded commitments and/or redemption rates listed as follows as of December 31, 2021:

| Description | Fair value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|--------------------|------------|----------------------|----------------------|--------------------------|
| Private Equity (a) | \$ 633,000 | \$ 53,528 | Permitted | 60 |

(a) This category is comprised of investments in shares of privately held corporations. Redemption of these investments is subject to the corporation's notification to its stockholders and approval by the board of the corporation.

Wyoming Community Foundation

Notes to Financial Statements

| June 30, 2020 | Fair Value | Fair Value Measurements | | | Investments measured at NAV |
|--|-----------------------|--|---|---|-----------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Money Markets | | | | | |
| Cash and Cash equivalents | \$ 3,021,588 | \$ 3,021,588 | \$ - | \$ - | \$ - |
| Fixed Income | | | | | |
| Government Agencies | 2,465,306 | 2,465,306 | - | - | - |
| Corporate Bonds | 2,535,424 | 2,535,424 | - | - | - |
| US Treasuries | 537,653 | 537,653 | - | - | - |
| Mutual funds | | | | | |
| Mutual Fund - Fixed Income - Domestic | 18,443,364 | 18,443,364 | - | - | - |
| Mutual Fund - Fixed Income - International | 7,967,071 | 7,967,071 | - | - | - |
| Mutual Fund - Domestic Small Cap | 29,659,900 | 29,659,900 | - | - | - |
| Mutual Fund - Domestic Large Cap | 40,216,613 | 40,216,613 | - | - | - |
| Mutual Fund - International Small Cap | 5,470,295 | 5,470,295 | - | - | - |
| Mutual Fund - International Large Cap | 20,896,531 | 20,896,531 | - | - | - |
| Mutual Fund - Real Estate | 11,022,198 | 11,022,198 | - | - | - |
| Mutual Fund - Energy/Natural Resources | 13,695,315 | 13,695,315 | - | - | - |
| Exchange-traded funds | | | | | |
| Exchange Traded Fund - Domestic Fixed Income ST Maturity | 1,847,332 | 1,847,332 | - | - | - |
| Exchange Traded Fund - Fixed Income - Domestic | 57,410 | 57,410 | - | - | - |
| Exchange Traded Fund - Fixed Income - International | 35,247 | 35,247 | - | - | - |
| Exchange Traded Product - Domestic Small Cap | 215,885 | 215,885 | - | - | - |
| Exchange Traded Fund - Domestic Large Cap | 11,772,606 | 11,772,606 | - | - | - |
| Exchange Traded Fund - International Small Cap | 5,181,718 | 5,181,718 | - | - | - |
| Exchange Traded Fund - International Large Cap | 156,123 | 156,123 | - | - | - |
| Exchange Traded Product - Energy/Natural Resources | 218,234 | 218,234 | - | - | - |
| Equity securities | | | | | |
| Equity - International Large Cap | 297,684 | 297,684 | - | - | - |
| Private Equity | | | | | |
| Venture Capital Fund of Funds | 712,860 | | | | 712,860 |
| Total Investments | \$ 176,426,357 | \$ 175,713,497 | \$ - | \$ - | \$ 712,860 |

Investments related to funds held as agency endowments and funds held on behalf of others are included in the table above.

The Foundation's investments that are valued at net asset value have unfunded commitments and/or redemption rates listed as follows as of December 31, 2020:

| Description | Fair value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|--------------------|------------|----------------------|----------------------|--------------------------|
| Private Equity (a) | \$ 712,860 | \$ 78,442 | Permitted | 60 |

- (a) This category is comprised of investments in shares of privately held corporations. Redemption of these investments is subject to the corporation's notification to its stockholders and approval by the board of the corporation.

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Wyoming Community Foundation

Notes to Financial Statements

Net Investment Return

Net investment return consists of the following unrestricted amounts:

| <i>Year Ended December 31,</i> | 2021 | 2020 |
|--|----------------------|----------------------|
| Interest and dividends | \$ 5,723,134 | \$ 2,975,908 |
| Net realized (loss) gain on sales of investments | (39,759) | 3,635 |
| Net unrealized gain on investments | 22,008,457 | 11,071,018 |
| Investment fees | (334,112) | (264,919) |
| Net Investment Return | \$ 27,357,720 | \$ 13,785,642 |

3. Assets Held for Sale

The Foundation received a donation of five lots of land in 2017 which was encumbered by an option contract. This option was not used and was subsequently terminated on December 31, 2019. Beginning on January 1, 2020, the land was held for sale. During 2020, the Foundation sold one lot for \$150,000. In 2021, the Foundation sold another lot for \$1,000,000. The remaining three lots were evaluated for impairment and the listing price was reduced by \$350,000 to an average of \$3.25 per square foot. The impairment loss was recorded in the statement of activities as a component of net investment return in 2021. The total value of the lots available for sale was \$1,300,000 and \$2,650,000 at the end of 2021 and 2020, respectively.

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Wyoming Community Foundation

Notes to Financial Statements

4. Liquidity and Availability of Financial Assets

The following represents the Foundation's financial assets.

| <i>December 31,</i> | 2021 | 2020 |
|--|---------------------|---------------------|
| Financial Assets: | | |
| Cash and cash equivalents | \$ 4,318,420 | \$ 4,945,854 |
| Assets held for sale | 1,300,000 | 2,650,000 |
| Investments | 170,194,351 | 142,601,226 |
| Investments held as agency endowments | 32,276,296 | 27,518,611 |
| Investments held on behalf of others | 5,920,138 | 6,306,520 |
| Receivables | 10,824 | 27,236 |
| Total Financial Assets | 214,020,029 | 184,049,447 |
| Less amounts not available to be used within one year | | |
| Non current portion of financial assets due to: | | |
| Board designated endowment funds | 133,968,257 | 111,545,253 |
| Board designated non-endowment funds | 34,894,837 | 32,313,620 |
| Deposit | 500 | 500 |
| Contractual obligation | 598,742 | 598,115 |
| Funds held as agency endowments | 32,276,296 | 27,518,611 |
| Funds held in trust | 5,770,218 | 6,468,316 |
| Financial assets available to meet general expenditures over the next twelve months | \$ 6,511,179 | \$ 5,605,032 |

The Foundation has operating funds and reserves of \$4,881,100 and \$4,380,603 as of December 31, 2021 and 2020, respectively which are reported as a component of board designated net assets. These funds are available with limited restriction for general expenditure within one year of the statement of financial position date.

Board designated endowment funds and non-endowment funds are not available for immediate use due to the Foundation's annual spending policies.

As part of the Foundation's liquidity management, it structures its financial assets to be available as grant distributions, general expenditures, liabilities, and other obligations as they become due.

Wyoming Community Foundation

Notes to Financial Statements

5. Property and Equipment

The costs and related accumulated depreciation and amortization of fixed assets consisted of the following:

| December 31, | 2021 | | |
|---------------------------|--------------|---|------------|
| | Cost | Accumulated Depreciation & Amortization | Net |
| Land | \$ 78,400 | \$ - | \$ 78,400 |
| Building and improvements | 859,487 | 117,478 | 742,009 |
| Furniture and equipment | 164,875 | 156,434 | 8,441 |
| Vehicles | 240,419 | 205,553 | 34,866 |
| | \$ 1,343,181 | \$ 479,465 | \$ 863,716 |

| December 31, | 2020 | | |
|---------------------------|--------------|---|------------|
| | Cost | Accumulated Depreciation & Amortization | Net |
| Land | \$ 78,400 | \$ - | \$ 78,400 |
| Building and improvements | 755,157 | 98,034 | 657,123 |
| Furniture and equipment | 166,012 | 145,457 | 20,555 |
| Vehicles | 240,419 | 184,278 | 56,141 |
| | \$ 1,239,988 | \$ 427,769 | \$ 812,219 |

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was \$57,113 and \$64,851, respectively.

6. Grants Payable

Grants payable are recognized at market value at the time the grants are authorized. Grants payable are payable in the following periods:

| Year Payable | Year Authorized | |
|--------------|---------------------|---------------------|
| | 2021 | 2020 |
| 2021 | \$ - | \$ 1,906,078 |
| 2022 | 2,199,929 | - |
| Total | \$ 2,199,929 | \$ 1,906,078 |

The Foundation approves certain grants with conditions; however, the probability is remote that the grantees will not meet those conditions. Accordingly, conditional grants are accounted for as grants payable when approved.

Wyoming Community Foundation

Notes to Financial Statements

7. Contractual Obligation

For contracts that establish annuity payments, an annuity liability is recognized for the present value of the future cash flows expected to be paid to the beneficiary. Liabilities are adjusted during the term of the annuities for payments, accretion or discounts and changes in life expectancies. The Foundation uses the historical IRS discount rates and tables compiled from the Office of The Actuary of the Social Security Administration for life expectancies. The Foundation entered a contract that obligates the Foundation to pay an annuity of \$100,000 a year for the remainder of an individual's life.

8. Funds Held as Agency Endowments

ASC 958-605 establishes standards for transactions in which a foundation acts as the recipient of a contribution from a donor and agrees to transfer the return on investment of those assets to an entity that is specified by the donor. The ASC specifically requires that if a Not-for-Profit Organization (NPO) establishes a fund at a foundation with its own funds, grants the foundation variance power, and specifies itself or an affiliate as the beneficiary of that fund, the foundation must account for the transfer of such assets as a liability. The Foundation refers to such liabilities as agency endowments.

In accordance with the ASC, 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. The Foundation established variance power with the following terms: the Board of Directors of the Foundation shall have exclusive legal control over the contributed assets and the power and the duty to modify any restriction or condition of the distribution of funds for any specified charitable purpose or to specified organizations if in the sole judgement of the board (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.

However, in accordance with the ASC, a liability has been established for the fair value of the funds. Agency endowment funds are governed by fund agreements which provide that, under normal circumstances, grant distributions will be made in accordance with the annual spending policy approved by the Foundation board. Currently, the annual spending policy is 4% of the funds' average quarterly market value over the preceding twenty quarters. In line with the Foundation recording a liability and the future distributions that will be granted to the respective recipient, each recipient that has established an agency endowment fund with the Foundation has recorded a beneficial interest in the future distributions related to the assets held by the Foundation on the recipient's financial statements.

Wyoming Community Foundation

Notes to Financial Statements

The following table summarizes activity in the agency endowment funds that is not included in the Foundation's statement of activities.

| <i>December 31,</i> | 2021 | 2020 |
|--|----------------------|----------------------|
| Agency endowment fund balances | | |
| at January 1 | \$ 27,518,612 | \$ 25,760,764 |
| Contributions | 517,787 | 556,163 |
| Investment income | 1,124,633 | 601,240 |
| Net unrealized and realized investment gains | 4,487,943 | 2,095,671 |
| Amounts Appropriated for expenditure | | |
| Grants made | (953,288) | (1,137,912) |
| Investment fees | (60,855) | (50,552) |
| Administrative fees | (358,536) | (306,762) |
| Agency endowment fund balances at December 31 | \$ 32,276,296 | \$ 27,518,612 |

9. Funds Held in Trust

The Foundation serves as escrow agent for contributions to Chesapeake Operating, Inc., Denbury Onshore, LLC, and Pinedale Anticline Project. As such, no transactions related to these funds are recorded in the statement of activities.

The following details the balances of the funds held in trust.

| <i>December 31,</i> | 2021 | 2020 |
|----------------------------------|---------------------|---------------------|
| Chesapeake Operating, Inc. | \$ 302,366 | \$ 397,091 |
| Denbury Onshore, LLC | 661,306 | 663,168 |
| Pinedale Anticline Project | 4,806,546 | 5,408,057 |
| Total Funds Held in Trust | \$ 5,770,218 | \$ 6,468,316 |

10. Board Designated Endowment Funds

To respect donor requests, the Foundation has designated endowment funds and restricted the use of each fund. Endowment funds are governed by fund agreements which provide that, under normal circumstances, grant distributions will be made in accordance with the annual spending policy approved by the Foundation Board. Currently, the annual spending policy is 4% of the funds' average quarterly market value over the preceding twenty quarters.

Wyoming Community Foundation

Notes to Financial Statements

The following table summarizes the activity in the board designated endowment funds:

| <i>December 31,</i> | 2021 | 2020 |
|---|-----------------------|-----------------------|
| Board Designated Endowment Fund Balance | | |
| at January 1 | \$ 111,545,253 | \$ 96,679,829 |
| Contributions | 4,810,556 | 8,600,682 |
| Net investment return | 22,599,137 | 10,869,366 |
| Amounts appropriated for expenditure | | |
| Grants made | (3,634,239) | (3,584,230) |
| Administrative fee | (1,343,418) | (1,005,411) |
| Other charges | (9,031) | (14,984) |
| Board designated endowment fund balances | | |
| at December 31 | \$ 133,968,257 | \$ 111,545,253 |

11. Net Assets

Total net assets without donor restrictions for the years ending December 31, 2021 and 2020 are \$173,744,194 and \$148,239,476, respectively. The Foundation did not have net assets with donor restrictions. The Foundation's internally designated categories for net assets without donor restrictions is as follows:

| <i>December 31,</i> | 2021 | 2020 |
|--|-----------------------|-----------------------|
| Net assets without donor restrictions: | | |
| Board Designated Operating Funds | \$ 4,881,100 | \$ 4,380,603 |
| Board Designated Endowment Funds | | |
| Field of interest funds | 57,581,945 | 49,066,165 |
| Discretionary funds | 10,103,804 | 8,580,223 |
| Donor-advised funds | 21,594,387 | 17,448,227 |
| Designated funds | 3,974,860 | 3,298,635 |
| Agency funds | 33,439,156 | 28,027,650 |
| Scholarship funds | 7,274,105 | 5,124,353 |
| Total Board Designated Endowment Funds | 133,968,257 | 111,545,253 |
| Board Designated Non-Endowment Funds | | |
| Field of interest funds | 2,347,792 | 2,067,676 |
| Discretionary funds | 14,564 | - |
| Special projects/Fiscal sponsorship funds | 338,240 | 1,623,847 |
| Donor-advised funds | 30,419,154 | 26,012,321 |
| Designated funds | 339,039 | 1,126,579 |
| Agency funds | 4,962 | 4,031 |
| Scholarship funds | 1,431,086 | 1,479,166 |
| Tota Board Designated Non-Endowment Funds | 34,894,837 | 32,313,620 |
| Total Net Assets Without Donor Restrictions | \$ 173,744,194 | \$ 148,239,476 |

Wyoming Community Foundation

Notes to the Financial Statements

12. Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of the IRC. In addition, the Foundation qualifies for the charitable 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). Contributions to the Foundation are deductible for tax purposes by the donor, subject to the normal limitations imposed by the taxing authorities. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption.

No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the basic financial statements taken as a whole.

In accordance with ASC 740, Income Taxes, the Foundation currently recognizes the effect of income tax positions only if such positions are probable of being sustained. The Foundation is no longer subject to examination by the U.S. Federal, state and local tax authorities for the years ended December 31, 2017 and prior.

13. Retirement Plan

The employees of the Foundation are covered by a 401(k) retirement plan. All employees are eligible to participate in this plan on the first of the month following their hire date. The Foundation's contribution rate for 2021 and 2020 was 6%.

Contributions to the retirement plan for the years ended December 31, 2021 and 2020 were \$82,259 and \$83,290, respectively.

14. Related Party Transactions

Throughout the normal course of operations various board members and employees have made immaterial charitable contributions to the Foundation. In addition to these contributions the Foundation holds several funds that were established by board members or employees of the Foundation, which arose during the normal course of operations. As of December 31, 2021 and 2020, these funds amounted to \$18,041,317 and \$14,135,541, respectively.

15. Lease Commitments

The Foundation leases office space in Casper, Wyoming. The lease began on May 1, 2020 for a period of three years. The agreement calls for rent in the amount of \$375 per month. The Foundation also leases office space in Sheridan, Wyoming. The lease began on July 1, 2019, for a period of three years. The agreement calls for rent in the amount of \$425 per month in the first year, \$450 in the second year, and \$475 in the third year.

Rent expense was \$10,560 and \$10,335 for the years ended December 31, 2021 and 2020, respectively.

Wyoming Community Foundation

Notes to the Financial Statements

Future minimum lease payments are as follows for the years ended December 31:

| | | |
|--------------|-----------|--------------|
| 2022 | \$ | 7,350 |
| 2023 | | 1,500 |
| <hr/> | | |
| Total | \$ | 8,850 |

16. Paycheck Protection Program Loan Funding

As a result of the economic stimulus efforts by the United States Government related to the COVID-19 outbreak, the entity received funding for a Paycheck Protection Program loan through the Small Business Administration (“SBA”) totaling \$291,580 on April 13, 2020. On December 29, 2020, the lender communicated to the entity that the SBA had funded the loan and indicated their agreement with the lender’s recommendation for forgiveness.