

THE COMMUNITY FOUNDATION  
SERVING GREELEY AND  
WELD COUNTY

(A Not-For-Profit Corporation)

FINANCIAL REPORT

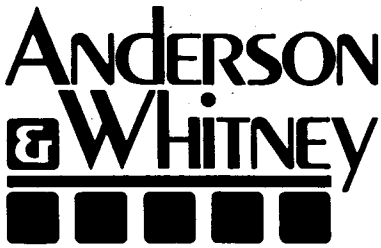
Years Ended December 31, 2007 and 2006

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A Professional Corporation of  
Certified Public Accountants

Independent Auditors' Report

Board of Directors  
The Community Foundation  
Serving Greeley and Weld County  
Greeley, Colorado

We have audited the accompanying balance sheets of The Community Foundation Serving Greeley and Weld County (a not-for-profit corporation) as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation'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. Those standards require that we plan and perform the audits 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 The Community Foundation Serving Greeley and Weld County as of December 31, 2007 and 2006, 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.

*Anderson & Whitney P. C.*

May 7, 2008

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**THE COMMUNITY FOUNDATION**  
**SERVING GREELEY AND WELD COUNTY**

**BALANCE SHEETS**

December 31	2007	2006
<b>ASSETS</b>		
Cash	\$ 470,483	\$ 680,660
Certificates of Deposit	200,000	50,000
Receivables:		
Contributions	17,115	20,648
Interest	47,053	42,607
Loans to students (net of allowance for uncollectible loans of \$39,533 for 2007 and 2006)	15,763	19,155
Interfund loan	38,000	48,000
Investments, at market	11,245,315	10,168,364
Office Furniture and Equipment, net	1,538	1,498
Other Assets	53,276	53,276
<b>TOTAL ASSETS</b>	<b>\$ 12,088,543</b>	<b>\$ 11,084,208</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 2,597	\$ 2,387
Grants payable	56,359	28,433
Interfund loan payable	38,000	48,000
Annuity obligation	73,920	-
Assets held for agency funds	753,874	693,877
<b>Total Liabilities</b>	<b>924,750</b>	<b>772,697</b>
Net Assets:		
Unrestricted	91,727	168,790
Temporarily restricted	2,865,291	2,689,448
Permanently restricted	8,206,775	7,453,273
<b>Total Net Assets</b>	<b>11,163,793</b>	<b>10,311,511</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 12,088,543</b>	<b>\$ 11,084,208</b>

See Accompanying Notes to Financial Statements.

**THE COMMUNITY FOUNDATION  
SERVING GREELEY AND WELD COUNTY**

**STATEMENTS OF ACTIVITIES**

Year Ended December 31, 2007	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
<b>Revenue:</b>				
Contributions	\$ 18,710	\$ 220,728	\$ 504,809	\$ 744,247
Contributed services	2,000	5,281	-	7,281
Net investment earnings	28,927	994,215	-	1,023,142
Administration fees	209,913	(203,866)	-	6,047
Other	22,883	2,054	-	24,937
Net assets released from restrictions	700,497	(700,497)	-	-
<b>Total Revenue</b>	<b>982,930</b>	<b>317,915</b>	<b>504,809</b>	<b>1,805,654</b>
<b>Expenses:</b>				
Grants	549,946	-	-	549,946
Programs	148,262	-	-	148,262
Fundraising	25,661	-	-	25,661
Management and general	229,503	-	-	229,503
<b>Total Expenses</b>	<b>953,372</b>	<b>-</b>	<b>-</b>	<b>953,372</b>
Revenue Over Expenses	29,558	317,915	504,809	852,282
Net Interfund Transfers	(106,621)	(142,072)	248,693	-
Change in Net Assets	(77,063)	175,843	753,502	852,282
<b>NET ASSETS, Beginning of Year</b>	<b>168,790</b>	<b>2,689,448</b>	<b>7,453,273</b>	<b>10,311,511</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 91,727</b>	<b>\$ 2,865,291</b>	<b>\$ 8,206,775</b>	<b>\$ 11,163,793</b>

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**THE COMMUNITY FOUNDATION  
SERVING GREELEY AND WELD COUNTY**

**STATEMENTS OF ACTIVITIES - Continued**

Year Ended December 31, 2006	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
<b>Revenue:</b>				
Contributions	\$ 21,937	\$ 307,787	\$ 65,061	\$ 394,785
Contributed services	-	6,816	-	6,816
Net investment earnings	21,194	819,380	-	840,574
Administration fees	201,096	(192,130)	-	8,966
Other	10,447	1,109	-	11,556
Net assets released from restrictions	716,654	(716,654)	-	-
<b>Total Revenue</b>	<b>971,328</b>	<b>226,308</b>	<b>65,061</b>	<b>1,262,697</b>
<b>Expenses:</b>				
Grants	479,403	-	-	479,403
Programs	238,546	-	-	238,546
Fundraising	23,722	-	-	23,722
Management and general	187,509	-	-	187,509
<b>Total Expenses</b>	<b>929,180</b>	<b>-</b>	<b>-</b>	<b>929,180</b>
Revenue Over Expenses	42,148	226,308	65,061	333,517
Reclassify Agency Fund Balance	-	22,781	55,975	78,756
Reclassify Deficit Balances	8,825	(8,825)	-	-
Net Interfund Transfers	11,896	(21,851)	9,955	-
Change in Net Assets	62,869	218,413	130,991	412,273
NET ASSETS, Beginning of Year	105,921	2,471,035	7,322,282	9,899,238
<b>NET ASSETS, End of Year</b>	<b>\$ 168,790</b>	<b>\$ 2,689,448</b>	<b>\$ 7,453,273</b>	<b>\$ 10,311,511</b>

See Accompanying Notes to Financial Statements.

**THE COMMUNITY FOUNDATION  
SERVING GREELEY AND WELD COUNTY**

**STATEMENTS OF CASH FLOWS**

Years Ended December 31	2007	2006
<b>Cash Flows From Operating Activities:</b>		
Cash received from contributors	\$ 354,578	\$ 354,944
Interest and dividends received	323,617	326,069
Other cash receipts	52,338	36,078
Cash paid to grantees, employees, and suppliers	(1,055,443)	(1,069,449)
<b>Net Cash Used by Operating Activities</b>	<b>(324,910)</b>	<b>(352,358)</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of equipment	(1,548)	(598)
Redemption of certificates of deposit	50,000	300,000
Purchase of certificates of deposit	(200,000)	(50,000)
Net (purchase) redemption of investments	(230,056)	63,026
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(381,604)</b>	<b>312,428</b>
<b>Cash Flows From Financing Activities:</b>		
Contributions restricted for endowments	504,809	110,204
Payments of annuity obligations	(8,472)	-
<b>Net Cash Provided by Financing Activities</b>	<b>496,337</b>	<b>110,204</b>
Net Increase (Decrease) in Cash	(210,177)	70,274
CASH, Beginning of Year	680,660	610,386
<b>CASH, End of Year</b>	<b>\$ 470,483</b>	<b>\$ 680,660</b>

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**THE COMMUNITY FOUNDATION**  
**SERVING GREELEY AND WELD COUNTY**

**STATEMENTS OF CASH FLOWS - Continued**

Years Ended December 31	2007	2006
Reconciliation of Change in Net Assets to Net Cash from Operating Activities:		
Change in net assets	\$ 852,282	\$ 412,273
Adjustments:		
Depreciation	1,508	1,066
Net (gains) losses on investments	(846,895)	(649,914)
Endowment contributions	(504,809)	(110,204)
Cash surrender value of life insurance	-	6,720
(Increase) decrease in operating assets:		
Loans to students	3,392	5,835
Interest receivable	(4,446)	(4,017)
Contributions receivable	3,533	45,143
Increase (decrease) in operating liabilities:		
Accounts payable	210	636
Grants payable	27,926	(4,201)
Agency funds	59,997	(55,695)
Annuity obligation	82,392	-
<b>Net Cash Used by Operating Activities</b>	<b>\$ (324,910)</b>	<b>\$ (352,358)</b>

See Accompanying Notes to Financial Statements.

**THE COMMUNITY FOUNDATION  
SERVING GREELEY AND WELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - Summary of Significant Accounting Policies:**

The accounting and reporting policies of The Community Foundation Serving Greeley and Weld County (the Foundation) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the financial statements of the Foundation.

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**Purpose:**

The purpose of the Foundation is to develop and administer primarily endowment funds with the goal of preserving capital and enhancing value for the benefit of the Greeley and the Weld County area and its residents. The Foundation was incorporated in 1995 as the Greeley Area Foundation, Inc. In 1997, the assets of the Weld Community Foundation, a division of The Community Foundation Serving Northern Colorado, were transferred to the Foundation, which changed its name to The Community Foundation Serving Greeley and Weld County. The Foundation operates primarily in the City of Greeley and Weld County area of Northern Colorado. As such, the revenues it receives are primarily from and dependent upon the Greeley and Weld County economy.

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**Basis of Presentation:**

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenue is recorded when earned and expenses are recorded when materials or services are received. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Unrestricted Net Assets:** Net assets not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets:** Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Permanently Restricted Net Assets:** Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

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 - assets held for agency funds.

**THE COMMUNITY FOUNDATION  
SERVING GREELEY AND WELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - Summary of Significant Accounting Policies - Continued:**

Fund agreements contain a variance power that, pursuant to the Foundation's Articles of Incorporation, allows the board of directors to modify or eliminate any designation, restriction or condition placed by the donor on the distribution of funds if such designation, restriction or condition becomes unnecessary, undesirable, impractical, incapable of fulfillment, or inconsistent with the charitable needs of the community. The classification of funds in these financial statements does not reflect the variance power until exercised by the Foundation's board of directors.

The amounts reported as permanently restricted, temporarily restricted, and unrestricted net assets were computed as of the date certain funds were transferred to the Foundation although the funds were established by the donors prior to being transferred. This practice may result in amounts being reported as permanently or temporarily restricted that are greater than were originally established by the donor.

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**Contributions:**

Contributions, including unconditional promises to give, if any, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Foundation receives contributions from donors with advice regarding distribution of assets and earnings there from. The Foundation attempts to meet the desires of the donors at the time of the contribution; however, the Foundation reserves the right to modify any restrictions or conditions on the distribution of funds for any specified charitable purpose, if in the sole judgment of the Foundation board of directors, such restrictions become unnecessary, undesirable, or inconsistent with the charitable needs of the community. Because it is the board's intention to honor the donor agreements, assets are classified based on the uses of assets and income as determined by the donor agreements.

Contributions whose restrictions are met in the same reporting period as donated are reported as temporarily restricted contributions.

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**Investments:**

The Foundation records investments in marketable securities at market value. Life insurance policies from donors are reported at their cash surrender value. Gains and losses on the sale of investments are based on either the specific cost or average cost of the investments sold. Investments are generally pooled for investment management. Most of the Foundation's funds are managed by a professional investment manager and held by a bank trust department.

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**THE COMMUNITY FOUNDATION  
SERVING GREELEY AND WELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - Summary of Significant Accounting Policies - Continued:**

Receivables:

Contributions receivable represent outstanding pledges received from donors and are generally due within the next year. The Foundation periodically evaluates the contributions receivable for collectability and records a bad debt expense when collection is doubtful. Student loans are reported at the face amount outstanding less an estimate of the uncollectible balances. Loans are written off when turned over for collection.

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Office Furniture and Equipment:

Office furniture and equipment are recorded at acquisition cost or at market value at date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the asset. All assets with a life of more than one year and a value of more than \$500 are capitalized.

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Other Assets:

Other assets consist of Houston Gardens, a public garden area exhibiting natural flora and fauna. The garden is recorded at the estimated fair value from the date of the gift.

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In-Kind Contributions:

Donated materials, assets, services, and investments are recorded at fair market value when received. Donated services are recorded if they create or enhance a nonfinancial asset or are a service requiring specialized training and would be purchased if the service were not donated.

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Tax-Exempt Status:

The Foundation, which is not a private foundation as defined by the Internal Revenue Code, is a tax-exempt organization under Section 501(c)(3). Accordingly, no provision is made in these financial statements for income taxes.

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Reclassifications:

Certain 2006 amounts have been reclassified for comparison with the 2007 financial statement presentation.

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Use of Estimates:

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

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**THE COMMUNITY FOUNDATION  
SERVING GREELEY AND WELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies - Continued:**

**Annuity Obligations:**

The Foundation administers such life income agreements as gift annuities where an income beneficiary is the lifetime recipient of income and the Foundation is the remainder beneficiary. Upon receipt of the gift, a liability is established for the estimated net present value of the lifetime recipient's interest using applicable mortality tables and a discount rate commensurate with the risks involved. A contribution is recognized for the estimated remainder interest.

**NOTE 2 – Contributions Receivable:**

December 31	2007	2006
Due in less than one year	\$ 4,515	\$ 8,648
Due in one to five years	12,600	12,000
	<b>\$ 17,115</b>	<b>\$ 20,648</b>

**NOTE 3 - Investments:**

	December 31, 2007		December 31, 2006	
	Cost	Market	Cost	Market
Cash and mutual funds	\$ 1,722,832	\$ 1,656,321	\$ 372,640	\$ 372,640
Equities	5,316,354	6,451,889	5,470,115	6,474,512
Fixed income securities	1,355,042	1,364,497	1,934,413	1,922,985
U.S. Government securities	1,144,951	1,176,047	1,374,162	1,369,281
Asset backed	494,861	596,561	28,946	28,946
<b>Total Investments</b>	<b>\$ 10,034,040</b>	<b>\$ 11,245,315</b>	<b>\$ 9,180,276</b>	<b>\$ 10,168,364</b>

Investment earnings consist of the following:

Years Ended December 31	2007	2006
Interest and dividends	\$ 328,712	\$ 330,086
Net realized gains	626,773	188,436
Other investment income	17,962	14,673
Less: Investment management fees	(93,761)	(89,450)
	879,686	443,745
Net unrealized gains	220,122	461,478
<b>Total Investment Earnings</b>	<b>1,099,808</b>	<b>905,223</b>
Less: Investment earnings of agency funds	(76,666)	(64,649)
<b>Net Investment Earnings</b>	<b>\$ 1,023,142</b>	<b>\$ 840,574</b>

**THE COMMUNITY FOUNDATION  
SERVING GREELEY AND WELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - Property and Equipment:**

December 31	2007	2006
Furniture and equipment	\$ 32,071	\$ 30,523
Less: Accumulated depreciation	30,533	29,025
	\$ 1,538	\$ 1,498

**NOTE 5 - Net Assets:**

Temporarily restricted net assets at December 31, 2007 and 2006 consist of the following:

December 31	2007	2006
Restricted as to:		
Purpose	\$ 2,865,291	\$ 2,547,376
Time	--	142,072
	\$ 2,865,291	\$ 2,689,448

At December 31, 2007 and 2006, the Foundation's administrative expenses fund has an outstanding balance of \$38,000 and \$48,000, respectively, borrowed from the Boettcher Foundation Challenge Grant Fund. The Foundation's board of directors established a repayment plan that provided for payments beginning in 2005.

**NOTE 6 - Retirement Plan:**

The Foundation participates in The Community Foundation Retirement Employee Savings Plan 403(b) (7). Employees who are eligible are full-time and employed at the Community Foundation for at least twelve consecutive months. Currently, the plan matches 100% of the employee's contribution up to 5% of the gross pay. Foundation matching contributions during 2007 and 2006 were \$6,943 and \$5,932, respectively.

**NOTE 7 - Concentration of Credit Risk:**

The Foundation maintains bank accounts at three commercial banks. The balances in those banks may, at times, exceed the \$100,000 Federal Deposit Insurance Corporation insurance limit.

**NOTE 8 - Commitment and Contingencies:**

The Foundation leases office space under an operating lease agreement requiring monthly rent of \$850 through December 2008. Lease expense was \$10,200 in 2007 and 2006. Future minimum lease payments are \$10,200 in 2008.