

**ST. VRAIN VALLEY SCHOOLS
EDUCATION FOUNDATION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

ST. VRAIN VALLEY SCHOOLS EDUCATION FOUNDATION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

February 14, 2022

INDEPENDENT AUDITORS' REPORT

Board of Directors
St. Vrain Valley Schools Education Foundation
Longmont, Colorado

Opinion

We have audited the accompanying financial statements of St. Vrain Valley Schools Education Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Vrain Valley Schools Education Foundation as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 St. Vrain Valley Schools Education Foundation's ability to continue as a going concern within one year after the date that the financial statements are 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. Vrain Valley Schools Education 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 St. Vrain Valley Schools Education Foundation's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited St. Vrain Valley Schools Education Foundation's 2020 financial statements and expressed an unmodified audit opinion on those audited financial statements in our report dated April 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

ST. VRAIN VALLEY SCHOOLS EDUCATION FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 650,335	\$ 504,018
Accounts receivable	16,200	5,600
Prepaid expenses	13,538	9,650
Investments (Note 3)	628,973	614,017
Property and equipment (Note 4)	<u>5,280</u>	<u>6,342</u>
Total assets	<u><u>\$ 1,314,326</u></u>	<u><u>\$ 1,139,627</u></u>
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accrued payroll costs	\$ 11,458	\$ 16,115
Deferred revenue	8,706	2,753
PPP note payable (Note 5)	<u>31,755</u>	<u>28,385</u>
Total liabilities	<u>51,919</u>	<u>47,253</u>
 <u>Net assets</u>		
<u>Without donor restrictions</u>		
Undesignated	343,188	193,218
Board designated operating reserve	<u>436,903</u>	<u>436,903</u>
	<u>780,091</u>	<u>630,121</u>
 <u>With donor restrictions</u>		
Program related (Note 6)	382,316	362,253
Endowment (Note 3)	<u>100,000</u>	<u>100,000</u>
	<u>482,316</u>	<u>462,253</u>
Total net assets	<u>1,262,407</u>	<u>1,092,374</u>
Total liabilities and net assets	<u><u>\$ 1,314,326</u></u>	<u><u>\$ 1,139,627</u></u>

The accompanying notes are an integral part of these financial statements

ST. VRAIN VALLEY SCHOOLS EDUCATION FOUNDATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021			2020	
	Without	With Donor Restrictions		Total	Total
	Donor	Program	Endowment		
Restrictions	Related				
<u>Revenue and other support</u>					
Grants and contributions	\$ 87,835	\$ 320,743	\$ -	\$ 408,578	\$ 466,596
Special events	185,513	-	-	185,513	190,535
Less: direct event expenses	(68,429)	-	-	(68,429)	(123,828)
Realized or unrealized gain(loss) on investments	106,404	-	-	106,404	(8,165)
Blue Mountain Elementary PTO	-	69,375	-	69,375	97,871
PPP note forgiveness	28,385	-	-	28,385	25,051
Interest income	14,205	-	-	14,205	14,443
In-kind contributions (Note 7)	58,454	-	-	58,454	18,809
Net assets released from restrictions (Note 8)	370,055	(370,055)	-	-	-
Total revenue and other support	<u>782,422</u>	<u>20,063</u>	<u>-</u>	<u>802,485</u>	<u>681,312</u>
<u>Expense</u>					
Program	529,731	-	-	529,731	542,393
Supporting services					
Management and general	79,233	-	-	79,233	56,462
Fundraising	23,488	-	-	23,488	10,458
Total expense	<u>632,452</u>	<u>-</u>	<u>-</u>	<u>632,452</u>	<u>609,313</u>
Change in net assets	149,970	20,063	-	170,033	71,999
Net assets, beginning of year	630,121	362,253	100,000	1,092,374	1,020,375
Net assets, end of year	<u>\$ 780,091</u>	<u>\$ 382,316</u>	<u>\$ 100,000</u>	<u>\$1,262,407</u>	<u>\$1,092,374</u>

The accompanying notes are an integral part of these financial statements

ST. VRAIN VALLEY SCHOOLS EDUCATION FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021			2020	
	Supporting Services				
	Program	Management and General	Fund- raising	Total	Total
Salaries	\$ 143,085	\$ 11,924	\$ 3,974	\$ 158,983	\$ 156,475
Payroll taxes and benefits	39,349	3,279	1,093	43,721	31,445
Grants and scholarships	287,106	-	-	287,106	123,964
Office supplies	11,192	36,375	8,395	55,962	86,795
Emergency fund	20,440	-	-	20,440	40,000
Occupancy	7,560	2,700	540	10,800	-
Audit	-	8,000	-	8,000	6,000
Dues and subscriptions	6,525	384	769	7,678	5,971
Bank and credit card fees	-	7,661	-	7,661	8,517
Customer relationship management	-	-	6,200	6,200	-
Telephone and internet	2,791	1,396	1,395	5,582	1,200
Website	3,940	1,051	262	5,253	5,842
Advertising and marketing	4,069	-	-	4,069	6,104
Insurance	2,045	545	137	2,727	2,372
Accounting	-	1,748	-	1,748	1,888
Printing	503	108	107	718	-
Postage	143	230	203	576	499
Meetings	-	310	103	413	1,521
Conference	250	-	-	250	2,103
Event	208	-	-	208	1,228
Travel	195	-	-	195	1,145
Donated materials	-	-	-	-	19,715
Program expense	-	-	-	-	13,385
Other	20	2,901	-	2,921	3,625
	529,421	78,612	23,178	631,211	519,794
Depreciation	310	621	310	1,241	669
Total	\$ 529,731	\$ 79,233	\$ 23,488	\$ 632,452	\$ 520,463

The accompanying notes are an integral part of these financial statements

ST. VRAIN VALLEY SCHOOLS EDUCATION FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021	2020
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 170,033	\$ 71,999
Adjustments to reconcile change in net assets to net cash provided by operating activities		
PPP note forgiveness	(28,385)	-
Depreciation	1,241	669
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	(10,600)	(4,300)
(Increase)decrease in prepaid expenses	(3,888)	(2,389)
(Decrease)increase in accounts payable	-	(9,906)
(Decrease)increase in accrued payroll costs	(4,657)	7,073
(Decrease)increase in deferred revenue	5,953	(5,470)
Net cash provided(used) by operating activities	129,697	57,676
<u>Cash flows from investing activities</u>		
Net (additions) to fixed assets	(179)	(4,890)
(Reinvestment) of investment earnings	(13,393)	(13,364)
(Gain)loss on investments	(100,995)	8,165
(Purchase)sale of investments	99,432	(174,391)
Net cash provided(used) by investing activities	(15,135)	(184,480)
<u>Cash flows from financing activities</u>		
Proceeds from PPP loan	31,755	28,385
Net increase(decrease) in cash and cash equivalents	146,317	(98,419)
Cash and cash equivalents, beginning of year	504,018	602,437
Cash and cash equivalents, end of year	\$ 650,335	\$ 504,018

The accompanying notes are an integral part of these financial statements

ST. VRAIN VALLEY SCHOOLS EDUCATION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 - NATURE OF ACTIVITIES

The St. Vrain Valley Schools Education Foundation (the Organization) was formed in 1985 as a Colorado non-profit corporation. The purpose of the Organization is to provide resources and education opportunities, in partnership with the St. Vrain Valley School District and local communities, and to enhance student success and teacher excellence. Funding for the Organization is obtained through charitable contributions from interested parties, grant awards, and governmental grant awards.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

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

2. Basis of Presentation

The financial statements of the St. Vrain Valley Schools Education Foundation have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

3. Cash, Cash Equivalents and Cash Held for Others

The Organization considers all unrestricted highly liquid investments with an initial maturity of less than three months to be cash and cash equivalents. Cash held for others represents cash held under a fiscal sponsor agreement. The following table provides a reconciliation of cash, cash equivalents and cash held for others reported within the statements of financial position that sum to the total of the same amount in the statement of cash flows:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 509,937
Cash held for others	<u>140,398</u>
Total	<u>\$ 650,335</u>

4. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

5. Accounts Receivable

No allowance for doubtful accounts has been established. The Organization believes all accounts will be collected.

6. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for furniture and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

7. 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.

8. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

9. Functional Reporting of Expenses

For the year ended June 30, 2021, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. All other expenses are allocated to the program or functional area benefited.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

10. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

11. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

12. Fair Value Measurements

The Organization follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which require use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

13. Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

14. Subsequent Events

Management has evaluated subsequent events through February 14, 2022, the date the financial statements were available for distribution.

NOTE 3 - INVESTMENTS AND DONOR RESTRICTED ENDOWMENT

At year-end, investments are stated at their fair values based on quoted prices in active markets (all Level 1 measurements), and consist of:

<u>Description</u>	<u>Amount</u>
Equities	\$ 386,485
Exchange traded funds	138,882
Fixed income	<u>103,606</u>
Total	<u>\$ 628,973</u>

NOTE 3 - INVESTMENTS AND DONOR RESTRICTED ENDOWMENT (Concluded)

Investment income and account activity is summarized as follows:

<u>Description</u>	Other Investments	Scholarship Endowment <u>Purpose</u> <u>Restricted</u>	Total <u>Investments</u>
Balance, beginning of year	\$ 531,185	\$ 100,000	\$ 631,185
Additions(withdrawals)	<u>(38,500)</u>	-	<u>(38,500)</u>
Interest and dividends	13,393	-	13,393
Net appreciation	106,404	-	106,404
Fees	<u>(5,410)</u>	-	<u>(5,410)</u>
Total investment return	<u>114,387</u>	-	<u>114,387</u>
Balance, end of year	<u>\$ 607,072</u>	<u>\$ 100,000</u>	<u>\$ 707,072</u>

The Organization's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The end of year balance includes \$78,099 cash that is included in the cash balance on the Statement of Financial Position.

Additionally, the Organization earned \$812 of interest on its operating cash balances.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of:

<u>Description</u>	<u>Amount</u>
Furniture and equipment	\$ 7,298
Less: accumulated depreciation	<u>(2,018)</u>
Net property and equipment	<u>\$ 5,280</u>

Depreciation expense for the year was \$1,241.

NOTE 5 - NOTE PAYABLE

On May 3, 2020, the Organization borrowed \$28,385 under the Payroll Protection Program (PPP). Congress established the PPP to provide relief to small businesses during the COVID-19 pandemic as part of the \$2 trillion Coronavirus Aid, Relief, And Economic Security (CARES) Act. The loans and accrued interest are forgivable after eight weeks and up to 24 weeks, as long as the borrower uses the loan proceeds for eligible purposes. On November 25 2020, the loan was forgiven and the PPP proceeds are recognized as a contribution.

On February 2, 2021, the Organization borrowed an additional \$31,755 under the Payroll Protection Program (PPP). The unforgiven portion of the loan is payable over two years at an interest rate of 1%.

NOTE 6 - DONOR RESTRICTED NET ASSETS

Donor restricted net assets are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Scholarships	\$ 254,523
Blue Mountain Elementary PTO	121,025
Programs	58,387
529 Jump	24,833
Grants	9,614
COVID19 Emergency Fund	8,725
Comcast Internet Essentials	<u>5,209</u>
Total	<u>\$ 482,316</u>

NOTE 7 - IN-KIND CONTRIBUTIONS

Donated services and materials are reflected in the accompanying statements at their estimated values at date of receipt. The value of donated services and materials include the donation of office space, utilities and technology from St. Vrain Valley School District as well as a variety of other donations. For the year ended, in-kind contributions consisted of:

<u>Description</u>	<u>Amount</u>
Event supplies	\$ 23,329
Educational supplies	14,155
Rent	10,800
Utilities	6,200
Technology	3,590
Printing	<u>380</u>
Total	<u>\$ 58,454</u>

NOTE 8 - NET ASSETS RELEASED FROM RESTRICTION

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

<u>Description</u>	<u>Amount</u>
Saint Vrain Valley School District	\$ 113,725
Scholarships	94,272
Grants	51,861
Blue Mountain Elementary PTO	47,566
Programs	41,215
COVID19 Emergency Fund	20,440
Comcast Internet Essentials	792
Other	<u>184</u>
Total	<u>\$ 370,055</u>

NOTE 9 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2021:

<u>Description</u>	
Cash and cash equivalents	\$ 650,335
Investments	628,973
Accounts receivable	<u>16,200</u>
Total financial assets	<u>1,295,508</u>
Less: amounts not available to be used	
Board designated reserve	436,903
Restricted BMES-PTO	121,025
Other restricted funds	<u>361,291</u>
	<u>919,219</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 376,289</u>

The Organization's goal is generally to maintain financial assets sufficient to meet 60 days of operating expenses. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations, as being available for general expenditures.

NOTE 10 - PRIOR PERIOD ADJUSTMENT

The June 30, 2020 financial statements have been restated due to additional information being available subsequent to the issuance of the audited financial statements. The net effect is a decrease of \$100,000 in undesignated net assets and an increase of \$100,000 in permanently restricted net assets. This adjustment is related to the permanently restricted purpose of the Scholarship Endowment.