

MAPLETON EDUCATION FOUNDATION

Financial Statements
As Of June 30, 2022

Together With Independent Auditors' Report

JDS professional
group
certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mapleton Education Foundation:

Opinion

We have audited the accompanying financial statements of Mapleton Education Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2022, 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 the Foundation as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report Continued

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional 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 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 the Foundation's internal control. Accordingly, no such opinion is expressed.
- 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.
- 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.

Independent Auditors' Report (Continued)

We are required to communicate to 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.

JDS Professional Group

February 10, 2023

MAPLETON EDUCATION FOUNDATION

Statement of Financial Position
As Of The Year Ended June 30, 2022

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ASSETS

Cash and cash equivalents	\$	574,280
Promises to give		242,890
Prepaid expenses		<u>2,600</u>
TOTAL ASSETS	\$	<u>819,770</u>

LIABILITIES AND NET ASSETS

Liabilities:

Scholarships payable	\$	556,025
Accounts payable		<u>2,713</u>
Total Liabilities		<u>558,738</u>

Net Assets:

Without donor restrictions		167,877
With donor restrictions		<u>93,155</u>
Total Net Assets		<u>261,032</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u>819,770</u>
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The accompanying notes are an integral part of the financial statements.

MAPLETON EDUCATION FOUNDATION

Statement of Activities
For The Year Ended June 30, 2022

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	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenue:			
Contributions	\$ 71,143	\$ 45,042	\$ 116,185
Special events, net of direct benefit to donor of \$66,894	103,424		103,424
In-kind contributions	418,228		418,228
Other income	1,703		1,703
Net assets released from restriction: satisfaction of program restrictions	95,800	(95,800)	
Total Support And Revenue	<u>690,298</u>	<u>(50,758)</u>	<u>639,540</u>
Expenses:			
Program services	<u>566,484</u>		<u>566,484</u>
Supporting Services-			
General and administrative	131,798		131,798
Fundraising	<u>115,621</u>		<u>115,621</u>
Total Supporting Services	<u>247,419</u>		<u>247,419</u>
Total Expenses	<u>813,903</u>		<u>813,903</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(123,605)	(50,758)	(174,363)
Net Assets, Beginning Of Year	<u>291,482</u>	<u>143,913</u>	<u>435,395</u>
NET ASSETS, END OF YEAR	<u>\$ 167,877</u>	<u>\$ 93,155</u>	<u>\$ 261,032</u>

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

MAPLETON EDUCATION FOUNDATION

Statement Of Functional Expenses
For The Year Ended June 30, 2022

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	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 81,684	\$ 81,684	\$ 81,635	\$ 245,003
Payroll taxes	6,249	6,249	6,245	18,743
Benefits	22,453	22,453	22,439	67,345
Scholarship expenses	194,533			194,533
Awards and grants	166,683			166,683
Supplies	87,429	290	290	88,009
Bank fees	92	92	92	276
Professional Fees	2,438	6,861		9,299
Miscellaneous	4,923	14,169	4,920	24,012
Total expenses	<u>\$ 566,484</u>	<u>\$ 131,798</u>	<u>\$ 115,621</u>	<u>\$ 813,903</u>

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

MAPLETON EDUCATION FOUNDATION

Statement of Cash Flows
For The Year Ended June 30, 2022

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Cash flows from operating activities:	
Changes in net assets from operations	\$ (174,363)
Adjustments to reconcile changes in net assets from operations to net cash provided by operating activities:	
Changes in assets and liabilities -	
Decrease in promise to give	132,267
(Decrease) in scholarships payable	(42,013)
(Decrease) in accounts payable	<u>(2,768)</u>
Net (Decrease) In Cash And Cash Equivalents	(86,877)
Cash And Cash Equivalents, Beginning Of Year	<u>661,157</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 574,280</u></u>

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

MAPLETON EDUCATION FOUNDATION

Notes To Financial Statements
For The Year Ended June 30, 2022

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(1) Nature Of Organization

The Mapleton Education Foundation (the “Foundation”), a Colorado not-for-profit corporation, mission is to nurture the greatness in every student by affording opportunities and supplying necessary resources to turn dreams into reality.

(2) Summary Of Significant Accounting Policies

Method Of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis Of Presentation

Financial statement presentation follows the recommendations of *Financial Statements for Not-for-Profit Foundations*. Under this standard, the Foundation is required to report information regarding 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 Foundation. These net assets may be used at the discretion of the Foundation’s management and the 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 Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Fair Value Measurements

The carrying amount reported in the statement of assets, liabilities, and net assets for cash and cash equivalents approximate fair value because of the immediate availability of these financial instruments.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash And Cash Equivalents

The Foundation considers cash and cash equivalents to be cash on hand and demand deposits.

Revenue And Revenue Recognition

Special event revenue is recognized in the period the event is held.

The Foundation recognizes revenue from contributions when cash, securities, other assets, or unconditional promises to give are received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year.

Conditional promises to give with a measurable performance or other barrier and a right of return/right or release are not recognized until the conditions on which they depend have been met. As of June 30, 2022, the Foundation had no advances or conditional promises to give.

Donated services and goods which meet the criteria for recognition are recorded in the accompanying financial statements at fair market value as of the date of donation.

The Foundation reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Scholarships Payable

Scholarships payable are recorded as a liability and expense in the year in which authorized by the Foundation's Board of Directors.

Methods Used For Allocation Of Expenses From Management And General Activities

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Such expenses included are salaries, and payroll taxes and benefits, supplies, bank fees, and miscellaneous expenses. These expenses are allocated on the basis of estimates of time and effort.

Evaluation of Subsequent Events

The Foundation has performed an evaluation of subsequent events through February 10, 2023, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

(3) Tax Exempt Status

The Foundation is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as a public charity that is not a private foundation under Section 509(a) of the Internal Revenue Code. As such, donors are entitled to a charitable deduction for their contribution to the Foundation.

The Foundation follows the *Accounting for Uncertainty in Income Taxes* accounting standard which requires the Foundation to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended June 30, 2022, the Foundation's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

The Foundation is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for years ending prior to June 30, 2019. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Foundation believes no issues would arise.

MAPLETON EDUCATION FOUNDATION

Notes To Financial Statements (Continued)

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(4) Concentration Of Credit Risk

The Foundation's cash demand deposits are held at financial institutions at which deposits are insured up to \$250,000 by the FDIC. As of June 30, 2022, the Foundation's cash demand deposits were in excess of the FDIC's insurance limit by \$326,015.

(5) Promises To Give

The following table provides information about promises to give for the year ended June 30, 2022:

Amounts due in:	
Less than one year	\$ 140,000
One to five years	102,890
Total contributions and grants receivable	<u>\$ 242,890</u>

(6) Scholarships Payable

The following table provides information about scholarships payable for the year ended June 30, 2022:

Amounts due in:	
Less than one year	\$ 177,025
One to five years	379,000
Total scholarships payable	<u>\$ 556,025</u>

(7) Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30, 2022, consisted of the following:

Scholarships	\$ 91,155
Mapleton arts center	2,000
	<u>\$ 93,155</u>

MAPLETON EDUCATION FOUNDATION

Notes To Financial Statements (Continued)

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(8) Expenses

	<u>Total Expenses</u>	<u>Less Direct Cost</u>	<u>Total Expenses Reported By Function</u>
Program services	\$ 566,484	\$	\$ 566,484
Direct benefit to donors	66,894	(66,894)	
General administration	131,798		131,798
Fundraising	115,621		115,621
	<u>\$ 880,797</u>	<u>\$ (66,894)</u>	<u>\$ 813,903</u>

(9) Related Party

The Foundation is affiliated with Mapleton Public Schools (MPS). During the year ended June 30, 2022, MPS contributed certain administrative services to the Foundation. For the year ended June 30, 2022, the Foundation has recorded \$331,091 of payroll expenses which was donated from MPS, and are recorded as a contribution in the accompanying financial statements.

(10) Liquidity And Availability Of Financial Assets

The Foundation has \$817,170 of financial assets available within one year of the statement of financial position. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(11) Contributed Nonfinancial Assets

Gifts-In-Kind

The Foundation received gifts-in-kind for the year ended June 30, 2022:

School supplies	\$ 87,137
Payroll expenses	331,091
Total gifts-in-kind	<u>\$ 418,228</u>

During the fiscal year ended June 30, 2022, all gifts-in-kind were utilized to carry out the mission of the Foundation. The payroll expenses were valued and reported at the amount being paid on behalf of Mapleton Public Schools.

MAPLETON EDUCATION FOUNDATION

Notes To Financial Statements (Continued)

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All gifts-in-kind received by the Foundation for the year ended June 30, 2022, were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.