

MAPLETON EDUCATION FOUNDATION

Financial Statements
As Of June 30, 2021

Together With Independent Accountants' Review Report

JDS professional
group
certified public accountants, consultants and advisors

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Mapleton Education Foundation:

We have reviewed the accompanying financial statements of Mapleton Education Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Foundation's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with modified cash basis of accounting.

Members:

American Institute of Certified Public Accountants • Colorado Society of Certified Public Accountants
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Independent Accountants' Review Report Continued

Restatement of the Financial Statements

We draw attention to Note (11) of the financial statements, which describes the restatement of the 2021 beginning net assets due to promises to give not being properly reflected in the 2020 financial statements.

JDS Professional Group

April 20, 2022

MAPLETON EDUCATION FOUNDATION

Statement of Financial Position
As Of The Year Ended June 30, 2021

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ASSETS

| | |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 661,157 |
| Promises to give | 375,157 |
| Prepaid expenses | <u>2,600</u> |

TOTAL ASSETS \$ 1,038,914

LIABILITIES AND NET ASSETS

Liabilities:

| | |
|----------------------|----------------|
| Scholarships payable | \$ 886,408 |
| Accounts payable | <u>5,481</u> |
| Total Liabilities | <u>891,889</u> |

Net Assets:

| | |
|----------------------------|----------------|
| Without donor restrictions | 23,352 |
| With donor restrictions | <u>123,673</u> |
| Total Net Assets | <u>147,025</u> |

TOTAL LIABILITIES AND NET ASSETS \$ 1,038,914

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

MAPLETON EDUCATION FOUNDATION

Statement of Activities
For The Year Ended June 30, 2021

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| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|-------------------|
| Support And Revenue: | | | |
| Contributions | \$ 134,851 | \$ 319,007 | \$ 453,858 |
| Government contributions | 512 | | 512 |
| Special events, net of direct benefit to donor of \$27,339 | 44,196 | | 44,196 |
| In-kind contributions | 207,648 | | 207,648 |
| Interest income | 722 | | 722 |
| Net assets released from restriction: satisfaction of program restrictions | 359,317 | (359,317) | |
| Total Support And Revenue | <u>747,246</u> | <u>(40,310)</u> | <u>706,936</u> |
| Expenses: | | | |
| Program services | <u>699,608</u> | | <u>699,608</u> |
| Supporting Services- | | | |
| General and administrative | 71,956 | | 71,956 |
| Fundraising | 69,515 | | 69,515 |
| Total Supporting Services | <u>141,471</u> | | <u>141,471</u> |
| Total Expenses | <u>841,079</u> | | <u>841,079</u> |
| CHANGE IN NET ASSETS FROM OPERATIONS | <u>(93,833)</u> | <u>(40,310)</u> | <u>(134,143)</u> |
| Net Assets, Beginning Of Year, As Originally Reported | (74,962) | 163,983 | 89,021 |
| Restatement | <u>192,147</u> | | <u>192,147</u> |
| Net Assets, Beginning Of Year, Restated | <u>117,185</u> | <u>163,983</u> | <u>281,168</u> |
| NET ASSETS, END OF YEAR | <u>\$ 23,352</u> | <u>\$ 123,673</u> | <u>\$ 147,025</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, 2021

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| | Program Services | General and Administrative | Fundraising | Total |
|--------------------------------|---------------------|-------------------------------|------------------|-------------------|
| Salaries | \$ 48,769 | \$ 48,754 | \$ 48,754 | \$ 146,277 |
| Payroll taxes | 3,731 | 3,730 | 3,730 | 11,191 |
| Benefits | 16,730 | 16,725 | 16,725 | 50,180 |
| Scholarship expenses | 592,793 | | | 592,793 |
| Teacher and school initiatives | 25,350 | 160 | | 25,510 |
| Supplies | | | 306 | 306 |
| Bank fees | | 2,403 | | 2,403 |
| Professional Fees | 11,985 | | | 11,985 |
| Miscellaneous | 250 | 184 | | 434 |
| Total expenses | <u>\$ 699,608</u> | <u>\$ 71,956</u> | <u>\$ 69,515</u> | <u>\$ 841,079</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, 2021

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| | |
|---|--------------------------|
| Cash flows from operating activities: | |
| Changes in net assets from operations | \$ (134,143) |
| Adjustments to reconcile changes in net assets from operations to net cash provided by operating activities: | |
| Changes in assets and liabilities - | |
| (Increase) in promise to give | (155,460) |
| Increase in scholarships payable | 349,906 |
| Increase in accounts payable | <u>1,481</u> |
| Net Increase In Cash And Cash Equivalents | 61,784 |
| Cash And Cash Equivalents, Beginning Of Year | <u>599,373</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u><u>\$ 661,157</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, 2021

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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.

Risks and Uncertainties

The global community has been under a significant threat from coronavirus ("COVID-19"). The extent to which the COVID-19 pandemic impacts the Foundation's business, results of operations and financial condition will depend on future developments, which are still uncertain and cannot be predicted. Even after the COVID-19 pandemic has subsided, the Foundation may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Foundation cannot reasonably estimate the impact at this time.

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, 2021, 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. 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 April 20, 2022, 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, 2021, 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.

MAPLETON EDUCATION FOUNDATION

Notes To Financial Statements (Continued)

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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, 2018. 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.

(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, 2021, the Foundation's cash demand deposits were in excess of the FDIC's insurance limit by \$412,407.

(5) Promises To Give

The following table provides information about promises to give for the year ended June 30, 2021:

| | |
|---|-------------------|
| Amounts due in: | |
| Less than one year | \$ 123,451 |
| One to five years | 251,706 |
| Total contributions and grants receivable | <u>\$ 375,157</u> |

(6) Scholarships Payable

The following table provides information about scholarships payable for the year ended June 30, 2021:

| | |
|----------------------------|-------------------|
| Amounts due in: | |
| Less than one year | \$ 163,255 |
| One to five years | 723,153 |
| Total scholarships payable | <u>\$ 886,408</u> |

MAPLETON EDUCATION FOUNDATION

Notes To Financial Statements (Continued)

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(7) Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30, 2021, consisted of the following:

| | | |
|--------------|----|----------------|
| Scholarships | \$ | 113,998 |
| Covid-fund | | 9,675 |
| | \$ | <u>123,673</u> |

(8) Expenses

| | Total Expenses | Less Direct Cost | Total Expenses Reported By Function |
|--------------------------|-------------------|------------------------|--|
| Program services | \$ 699,608 | \$ | \$ 699,608 |
| Direct benefit to donors | 27,339 | (27,339) | |
| Fundraising | 69,515 | | 69,515 |
| General administration | 71,956 | | 71,956 |
| | <u>\$ 868,418</u> | <u>\$ (27,339)</u> | <u>\$ 841,079</u> |

(9) Related Party

The Foundation is affiliated with Mapleton Public Schools (MPS). During the year ended June 30, 2021, MPS contributed certain administrative services to the Foundation. For the year ended June 30, 2021, the Foundation has recorded \$207,648 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 \$1,036,314 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.

MAPLETON EDUCATION FOUNDATION

Notes To Financial Statements (Continued)

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(11) Restatement

The June 30, 2021 beginning net assets were restated in the amount of \$192,147 to properly reflect contributions promised to give in the prior year. The restatement did not have any impact on the 2021 change in net assets.