

Aurora Public Schools Foundation

(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)

Financial Statements and Independent Auditor's Report

June 30, 2019 and 2018

Aurora Public Schools Foundation

June 30, 2019 and 2018

Contents

Independent Auditor's Report	1
---	----------

Financial Statements

Statements of Financial Position	3
Statement of Activities – Year Ended June 30, 2019	4
Statement of Activities – Year Ended June 30, 2018	5
Statement of Functional Expenses – Year Ended June 30, 2019	6
Statements of Cash Flows	7
Notes to Financial Statements	8

Independent Auditor's Report

Board of Directors
Aurora Public Schools Foundation
Aurora, Colorado

We have audited the accompanying financial statements of Aurora Public Schools Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses (2019 only) and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Aurora Public Schools Foundation

Opinion

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, 2019 and 2018, 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.

Emphasis of Matters

As described in Note 3 to the financial statements, in 2019 the Foundation adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

As discussed in Note 15 to the financial statements, the 2018 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

BKD, LLP

Denver, Colorado
October 23, 2019

Aurora Public Schools Foundation
Statements of Financial Position
June 30, 2019 and 2018

Assets	2019	2018 (Restated - Note 15)
Cash	\$ 1,019,805	\$ 966,236
Investments	191,209	179,707
Contributions receivable	87,300	84,750
Prepaid and other assets	<u>6,000</u>	<u>4,500</u>
Total assets	<u><u>\$ 1,304,314</u></u>	<u><u>\$ 1,235,193</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 31,970	\$ 33,954
Deferred revenue	<u>18,021</u>	<u>-</u>
Total liabilities	<u>49,991</u>	<u>33,954</u>
Net Assets		
Without donor restrictions	232,863	226,865
With donor restrictions		
Perpetual in nature	100,000	100,000
Purpose restricted	<u>921,460</u>	<u>874,374</u>
Total net assets	<u>1,254,323</u>	<u>1,201,239</u>
Total liabilities and net assets	<u><u>\$ 1,304,314</u></u>	<u><u>\$ 1,235,193</u></u>

Aurora Public Schools Foundation

Statement of Activities Year Ended June 30, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions – general	\$ 72,644	\$ 793,181	\$ 865,825
Special events revenue	131,666	96,800	228,466
Less special events direct expenses	(69,295)	-	(69,295)
Investment return, net	2,684	16,823	19,507
Net assets released from restrictions	859,718	(859,718)	-
	<u>997,417</u>	<u>47,086</u>	<u>1,044,503</u>
Total revenues, gains and other support			
Expenses			
Program services			
College and Career Centers	282,142	-	282,142
Scholarships	48,401	-	48,401
Special projects	516,147	-	516,147
	<u>846,690</u>	<u>-</u>	<u>846,690</u>
Total program services			
Support services			
General and administrative	109,467	-	109,467
Fundraising	35,262	-	35,262
	<u>991,419</u>	<u>-</u>	<u>991,419</u>
Total expenses			
Change in Net Assets	5,998	47,086	53,084
Net Assets, Beginning of Year	<u>226,865</u>	<u>974,374</u>	<u>1,201,239</u>
Net Assets, End of Year	<u>\$ 232,863</u>	<u>\$ 1,021,460</u>	<u>\$ 1,254,323</u>

Aurora Public Schools Foundation
Statement of Activities
Year Ended June 30, 2018

	2018 (Restated - Note 15)		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions – general	\$ 24,899	\$ 535,304	\$ 560,203
Special events revenue	160,692	21,000	181,692
Less special events direct expenses	(50,621)	-	(50,621)
Investment return, net	3,038	72	3,110
Net assets released from restrictions	<u>697,559</u>	<u>(697,559)</u>	<u>-</u>
Total revenues, gains and other support	<u>835,567</u>	<u>(141,183)</u>	<u>694,384</u>
Expenses			
Program services			
College and Career Centers	224,799	-	224,799
Scholarships	87,707	-	87,707
Special projects	<u>339,005</u>	<u>-</u>	<u>339,005</u>
Total program services	651,511	-	651,511
Support services			
General and administrative	124,762	-	124,762
Fundraising	<u>20,552</u>	<u>-</u>	<u>20,552</u>
Total expenses	<u>796,825</u>	<u>-</u>	<u>796,825</u>
Change in Net Assets	38,742	(141,183)	(102,441)
Net Assets, Beginning of Year, as Previously Reported	374,343	929,337	1,303,680
Adjustments Applicable to the Year Ended June 30, 2017	<u>(186,220)</u>	<u>186,220</u>	<u>-</u>
Net Assets, Beginning of Year, as Restated	<u>188,123</u>	<u>1,115,557</u>	<u>1,303,680</u>
Net Assets, End of Year	<u><u>\$ 226,865</u></u>	<u><u>\$ 974,374</u></u>	<u><u>\$ 1,201,239</u></u>

Aurora Public Schools Foundation

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services				Support Services			Total
	College and Career Centers	Scholarships	Special Projects	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries, taxes and benefits	\$ 280,963	\$ -	\$ -	\$ 280,963	\$ 29,794	\$ 27,947	\$ 57,741	\$ 338,704
Scholarships	-	43,649	-	43,649	-	-	-	43,649
Professional fees	-	-	-	-	71,089	-	71,089	71,089
Occupancy	-	-	-	-	6,362	2,121	8,483	8,483
Donor directed programs and projects	-	-	516,147	516,147	-	-	-	516,147
Other	1,179	4,752	-	5,931	2,222	5,194	7,416	13,347
	<u>1,179</u>	<u>4,752</u>	<u>-</u>	<u>5,931</u>	<u>2,222</u>	<u>5,194</u>	<u>7,416</u>	<u>13,347</u>
Total expenses included in the expense section on the Statement of Activities	<u>\$ 282,142</u>	<u>\$ 48,401</u>	<u>\$ 516,147</u>	<u>\$ 846,690</u>	<u>\$ 109,467</u>	<u>\$ 35,262</u>	<u>\$ 144,729</u>	<u>\$ 991,419</u>

Aurora Public Schools Foundation
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash Flow from Operating Activities		
Change in net assets	\$ 53,084	\$ (102,441)
Changes in		
Contributions receivable	(2,550)	55,250
Prepaid expenses	(1,500)	(4,500)
Accounts payable	(1,984)	9,954
Deferred revenue	18,021	-
	<u>65,071</u>	<u>(41,737)</u>
Net cash provided by (used in) operating activities		
Cash Flow from Investing Activities		
Purchases of investments	<u>(11,502)</u>	<u>(179,707)</u>
Net cash used in investing activities	<u>(11,502)</u>	<u>(179,707)</u>
Net Increase (Decrease) in Cash	53,569	(221,444)
Cash, Beginning of Year	<u>966,236</u>	<u>1,187,680</u>
Cash, End of Year	<u><u>\$ 1,019,805</u></u>	<u><u>\$ 966,236</u></u>

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

Note 1: Organization

The Aurora Public Schools Foundation (the Foundation) was incorporated in 1987 as a nonprofit organization. The Foundation exists to support students, families and staff of the Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the District). The Foundation has a commitment to cultivate community investment to enrich student opportunity across the District, through the development of partnerships and the leveraging of programs that drive innovation and excellence for the students of the District. Programs administered by the Foundation include scholarship programs, special projects and College and Career Centers.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenue, 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:

Cash

Cash consists of demand deposits and money market accounts. At June 30, 2019, the Foundation's cash accounts exceeded federally insured limits by approximately \$810,000.

Investment and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the Statements of Activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. Net assets with donor restrictions are subject to donor- or certain grantor- imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation is not considered a private foundation.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the Statements of Activities. The Statement of Functional Expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on the estimates of time expended and other methods.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through October 23, 2019, which is the date the financial statements were available to be issued.

Note 3: Change in Accounting Principle

In 2019, the Foundation adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. A summary of the changes is as follows:

Statement of Financial Position

The Statement of Financial Position distinguishes between two new classes of net assets—those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets—unrestricted, temporarily restricted and permanently restricted.

Statement of Activities

Expenses are reported by both nature and function in one location.

Investment income is shown net of external investment expenses. Disclosure of the expenses netted against investment income is no longer required.

Aurora Public Schools Foundation
Notes to Financial Statements
June 30, 2019 and 2018

Notes to the Financial Statements

Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one-year from the date of the Statement of Financial Position.

This change had no impact on previously reported total change in net assets.

Note 4: Contributions Receivable

Contributions receivable, which are restricted for a specified purpose consist of unconditional promises to give. For the years ended June 30, 2019 and 2018, the contributions receivable balance is \$87,300 and \$84,750, respectively, and is all due within one year.

Note 5: Natural Classification of Expenses

The Foundation's natural classification of expenses for the year ended June 30, 2018 are:

	2018
Salaries, taxes and benefits	\$ 293,813
Scholarships	87,707
Professional fees	27,570
Occupancy	8,485
Donor directed programs and projects	330,630
Marketing and promotion	28,637
Other	19,983
	<u>\$ 796,825</u>

Note 6: Related-party Transactions

The Board of Directors of the Foundation contributed \$8,410 and \$5,950 in contributions without restriction during the years ended June 30, 2019 and 2018, respectively.

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

Note 7: Contributed Services, Office Space, Supplies and General Operating Expenses

The District contributes various services, office space, supplies and general operating expenses to the Foundation.

Additionally, the Foundation received contributed legal services from an ex-officio board member to create and advise on policies, contracts and board resolutions. The estimated fair value of the contributed services is reported as contribution revenue and as expense in the accompanying Statements of Activities.

The estimated fair value of the contributed services for specialized skills, office space, supplies and general operating expenses is reported as contributions revenue and as expenses in the accompanying Statements of Activities. The estimated fair value of such contributions for 2019 and 2018 is \$58,719 and \$56,442, respectively. The value of the support has been allocated to general and administrative expense.

Note 8: Fundraising Expenses

Fundraising expenses are incurred to persuade potential donors to make contributions to the Foundation and are expensed as incurred. For the years ended June 30, 2019 and 2018, fundraising expenses were composed of the following:

	2019	2018
Special event direct expenses - Annual Gala	\$ 69,295	\$ 50,621
Indirect Annual Gala and other fundraising expenses	<u>35,262</u>	<u>20,552</u>
Total	<u><u>\$ 104,557</u></u>	<u><u>\$ 71,173</u></u>

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

Note 9: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	2019	2018 (Restated - Note 15)
Subject to expenditure for specified purpose		
Scholarships	\$ 586,772	\$ 551,815
Donor-directed pass through grants	6,000	-
Educator grants and classroom initiatives	5,911	5,868
College and Career Centers	215,457	289,560
Special events - Annual Gala	96,800	21,000
	<u>910,940</u>	<u>868,243</u>
Endowment		
Subject to expenditure when a specified event occurs - scholarships	10,520	6,131
Perpetual in nature	<u>100,000</u>	<u>100,000</u>
Total net assets with donor restrictions	<u><u>\$ 1,021,460</u></u>	<u><u>\$ 974,374</u></u>

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2019	2018
Purpose restrictions		
Scholarships	\$ 46,320	\$ 90,610
Donor-directed pass through grants	516,148	328,713
College and Career Centers	274,199	224,800
Special events - Annual Gala	21,000	51,364
	<u>857,667</u>	<u>695,487</u>
Endowment		
Scholarships	<u>2,051</u>	<u>2,072</u>
Total net assets with donor restrictions	<u><u>\$ 859,718</u></u>	<u><u>\$ 697,559</u></u>

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

Note 10: Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30 have been designated for the following purposes:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 10,429	\$ 103,752
Board-designated reserve for operations	<u>222,434</u>	<u>123,113</u>
Net assets without donor restrictions	<u>\$ 232,863</u>	<u>\$ 226,865</u>

Note 11: Endowment

The Foundation's endowment consists of one fund. The endowment includes only donor-restricted endowment funds, as the Foundation does not have any funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (U.S. GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted the State of Colorado's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies its donor-restricted endowment fund as net assets with donor restrictions at the original value of gifts donated to the perpetual endowment. The remaining portion of donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

The composition of net assets by type of endowment fund at June 30, 2019 and 2018 was:

		2019		
		Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$ -	\$ 110,520	\$ 110,520

		2018		
		Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$ -	\$ 106,131	\$ 106,131

Changes in endowment net assets for the years ended June 30, 2019 and 2018 were:

		2019		
		Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year		\$ -	\$ 106,131	\$ 106,131
Investment return, net		-	6,440	6,440
Appropriation for expenditure		-	(2,051)	(2,051)
Endowment net assets, end of year		\$ -	\$ 110,520	\$ 110,520

		2018		
		Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year		\$ -	\$ 108,132	\$ 108,132
Investment return, net		-	72	72
Appropriation for expenditure		-	(2,073)	(2,073)
Endowment net assets, end of year		\$ -	\$ 106,131	\$ 106,131

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the original donated value of the endowment. Endowment assets include

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

only donor-restricted endowment funds the Foundation must hold in perpetuity or for donor-specified periods.

The Foundation appropriates expenditures, as needed, in accordance with the purpose restrictions as outlined by the donors.

Underwater Endowments

The governing body of the Foundation has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of:

- a) the original value of initial and subsequent gift amounts donated to the fund, and;
- b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted UPMIFA to permit not spending from underwater funds in accordance with the prudent measures required under the law.

Note 12: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, comprise the following:

	2019	2018
Total financial assets	\$ 1,298,314	\$ 1,230,693
Donor imposed restrictions		
Endowments	(100,000)	(100,000)
Board-designated operating reserve	(222,434)	(123,113)
Financial assets available to meet cash needs		
for general expenditure within one year	<u>\$ 975,880</u>	<u>\$ 1,007,580</u>

The Foundation receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. As described in Note 6, the District also contributes various services, office space, supplies and general operating expenses to the Foundation.

The Foundation's endowment fund consist of a donor-restricted endowment. Income from the donor-restricted endowment is restricted for scholarships. The donor-restricted endowment fund is not available for general expenditure. The Foundation has a board-designated operating reserve, intended to provide an internal resource of funds for unexpected funding situations. The reserve is equal to six months of budgeted expenses associated with recurring Foundation activities. The

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

Foundation does not intend to spend from this reserve, but amounts could be made available if necessary.

The Foundation manages its liquidity and reserves following three guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets, including maintaining investments in marketable securities, which provide a high level of liquidity for the Foundation
- Maintaining sufficient reserves to provide reasonable assurance that long-term program commitments and obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation

Note 13: Disclosures about Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying Statements of Financial Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2019 and 2018:

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

2019				
Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets	Total			
Investments				
Money market fund	\$ 2,394	\$ 2,394	\$ -	\$ -
Mutual funds	55,814	55,814	-	-
Exchange traded mutual funds	133,001	133,001	-	-
	<u>\$ 191,209</u>	<u>\$ 191,209</u>	<u>\$ -</u>	<u>\$ -</u>
2018				
Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets	Total			
Investments				
Money market fund	\$ 1,680	\$ 1,680	\$ -	\$ -
Mutual funds	103,953	103,953	-	-
Exchange traded mutual funds	74,074	74,074	-	-
	<u>\$ 179,707</u>	<u>\$ 179,707</u>	<u>\$ -</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying Statements of Financial Position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market and mutual funds. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. Level 2 securities include certificates of deposit. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Foundation did not have any Level 2 or Level 3 securities as of June 30, 2019.

Note 14: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations.

Cash

The Foundation maintains its cash balance in one financial institution located in Denver, Colorado. The Foundation's deposits at the financial institution at times exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Aurora Public Schools Foundation

Notes to Financial Statements

June 30, 2019 and 2018

Note 15: Restatement of Prior Year's Financial Statements

Subsequent to the issuance of the Foundation's 2018 financial statements, the Foundation, under new management, determined that certain transactions related to previous fiscal years were incorrectly recorded as net assets with donor restrictions or net assets without donor restrictions. The restatement did not change the previously reported total change in net assets. The following financial statement line items for 2018 were affected by the correction:

	As Restated	As Previously Reported	Effect of Change
Statement of Activities			
Contributions general - without donor restrictions	\$ 24,899	\$ 51,537	\$ (26,638)
Contributions general - with donor restrictions	535,304	508,666	26,638
Total revenues, gains and other support without donor restrictions	835,567	862,205	(26,638)
Total revenues, gains and other support with donor restrictions	(141,183)	(167,821)	26,638
Net assets without donor restrictions, beginning of year	188,123	374,343	(186,220)
Net assets without donor restrictions, end of year	226,865	439,723	(212,858)
Net assets with donor restrictions, beginning of year	1,115,557	929,337	186,220
Net assets with donor restrictions, end of year	974,374	761,516	212,858