

SPIRIT OF AURORA
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Spirit of Aurora
Aurora, Colorado

We have reviewed the accompanying financial statements of Spirit of Aurora, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 entity 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 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. 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.

We are required to be independent of Spirit of Aurora and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our reviews, 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 accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
September 27, 2023

SPIRIT OF AURORA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 62,077	\$ 157,417
Total Assets	\$ 62,077	\$ 157,417
NET ASSETS		
NET ASSETS		
Without Donor Restrictions	\$ 22,712	\$ 27,890
With Donor Restrictions	39,365	129,527
Total Net Assets	\$ 62,077	\$ 157,417

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and Contributions	\$ 2,321	\$ 63,128	\$ 65,449
Contributions of Nonfinancial Assets	16,934	-	16,934
Net Assets Released from Restrictions	<u>153,290</u>	<u>(153,290)</u>	<u>-</u>
Total Revenue and Support	172,545	(90,162)	82,383
EXPENSES			
Program Services	164,476	-	164,476
General and Administrative	<u>13,247</u>	<u>-</u>	<u>13,247</u>
Total Expenses	<u>177,723</u>	<u>-</u>	<u>177,723</u>
CHANGE IN NET ASSETS	(5,178)	(90,162)	(95,340)
Net Assets - Beginning of Year	<u>27,890</u>	<u>129,527</u>	<u>157,417</u>
NET ASSETS - END OF YEAR	<u>\$ 22,712</u>	<u>\$ 39,365</u>	<u>\$ 62,077</u>

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and Contributions	\$ 4,212	\$ 179,235	\$ 183,447
Contributions of Nonfinancial Assets	20,332	-	20,332
Net Assets Released from Restrictions	142,394	(142,394)	-
Total Revenue and Support	166,938	36,841	203,779
 EXPENSES			
Program Services	146,601	-	146,601
General and Administrative	16,645	-	16,645
Total Expenses	163,246	-	163,246
 CHANGE IN NET ASSETS	3,692	36,841	40,533
Net Assets - Beginning of Year	24,198	92,686	116,884
 NET ASSETS - END OF YEAR	\$ 27,890	\$ 129,527	\$ 157,417

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Grants Distributed	\$ 153,289	\$ -	\$ 153,289
Sponsorships	7,500	-	7,500
In-Kind Expense	<u>3,687</u>	<u>13,247</u>	<u>16,934</u>
Total Expenses	<u>\$ 164,476</u>	<u>\$ 13,247</u>	<u>\$ 177,723</u>

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Grants Distributed	\$ 142,393	\$ -	\$ 142,393
Sponsorships	521	-	521
In-Kind Expense	<u>3,687</u>	<u>16,645</u>	<u>20,332</u>
Total Expenses	<u>\$ 146,601</u>	<u>\$ 16,645</u>	<u>\$ 163,246</u>

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	2022	2021
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ (95,340)	\$ 40,533
Net Cash Provided (Used) by Operating Activities	(95,340)	40,533
NET CHANGE IN CASH	(95,340)	40,533
Cash - Beginning of Year	157,417	116,884
CASH - END OF YEAR	\$ 62,077	\$ 157,417
NONCASH TRANSACTIONS		
In-Kind Contributions	\$ 16,934	\$ 20,332

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Spirit of Aurora (the Organization), is a nonprofit, tax-exempt corporation formed December 5, 1989, in the state of Colorado, for the purpose of enhancing the quality of life in Aurora, Colorado. The Organization exists to support programs that enrich the lives of the residents of the city by allowing interested parties to contribute funds to a broad range of programs that assist in accomplishing its mission. Programs focus on animal care, immunization for kids, recreation and reading programs, adult day care, neighborhood improvement and homeownership and a variety of other cultural services (see Note 6).

Method of Accounting

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

Financial Statement Presentation and Net Assets

Financial statement presentation follows the requirements under Generally Accepted Accounting Principles for Not-for-Profit Organizations. Under this presentation, the Organization is required to report classifications of net assets, revenues, gains, and losses based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets 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. Spirit of Aurora does not have any perpetually restricted net assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

The Organization records unconditional contributions in accordance with the requirements of accounting principles generally accepted in the United States of America for nonprofit entities. The Organization recognizes revenue for contributions (and grants considered to be contributions) based upon the presence or absence of donor-imposed conditions. For those contributions absent of donor-imposed conditions, revenues are recognized at the time the Organization is notified of the contribution and that promise is verified, regardless of the timing of cash receipt. For contributions with donor-imposed conditions – that is, those with a measurable performance or other barrier and a right of return or release – revenues are recognized at the time the conditions are substantially met, regardless of the timing of cash receipt.

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statements of activities and changes in net assets as Net Assets Released from Restrictions.

Adoption of New Accounting Standards

In September 2020, the FASB issued ASU Number 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about noncash contributions nonprofit organizations receive or make, known as gifts-in-kind (GIKs). Contributed nonfinancial assets are required to be reported by category within the statements of activities and changes in net assets, and additional disclosures are required for each category, including whether nonfinancial assets were monetized or utilized during the reporting period, the policy for monetizing nonfinancial contributions, and descriptions of the fair value techniques used to arrive at a fair value measurement. The entity adopted the requirements of the new ASU as of January 1, 2022, utilizing the retrospective method of transition. The adoption of this ASU did not result in a material impact on the entity's financial statements.

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. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Program activities are those that are conducted in accordance with the Organization's nature of operations and certain necessary costs. Management and general activities are those that are not identifiable with a single program or fundraising activity, but that are indispensable to the conduct of those activities and to an organization's existence. Expenses by function have been allocated based upon management's estimates of the time spent working in each category or specific identification.

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There were no unrelated business activities in 2022 and 2021. Accordingly, no tax expense was incurred during the years ended December 31, 2022 and 2021.

Management has evaluated the tax positions taken and none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2022 and 2021. If incurred, interest and penalties associated with tax positions would be recorded in the period assessed as miscellaneous administrative expense. No interest or penalties have been assessed as of December 31, 2022 and 2021.

Subsequent Events

The Organization has evaluated all subsequent events through September 27, 2023, which is the date the financial statements were available for issuance, and has determined there are no events requiring disclosure.

NOTE 2 CITY OF AURORA

The Organization entered into an agreement with city of Aurora (the City) to provide resources and support to cover the Organization's administrative operations. The City's intent is to fully support the cost of administration of the Organization. The City's annual commitment for these administrative costs does not exceed \$9,000. In addition, the Organization received contributed nonfinancial asset exchange services toward the operations of the Organization (see Note 3). The agreement automatically renews if it is not terminated by either party.

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 3 CONTRIBUTED NONFINANCIAL ASSETS AND SERVICES

Noncash contributions of property, materials, and professional services are known as contributed nonfinancial assets and services and are recorded at estimated value at date of receipt.

Contributed nonfinancial assets and services recognized as revenues and expenses within the statements of activities and changes in net assets are as follows for the years ended December 31:

Nonfinancial Asset	2022 Revenue Recognized	2021 Revenue Recognized	Monetized or Utilized	Utilization in Function	Donor Restrictions	Valuation Technique
Donated Accounting Services	\$ 16,934	\$ 20,332	Utilized	General and Administrative Program Service	No	Market Value of Comparable Services
Total	<u>\$ 16,934</u>	<u>\$ 20,332</u>				

NOTE 4 CONCENTRATION

For the years ended December 31, 2022 and 2021, approximately 76% and 94% of the Organization's grants and contributions revenue was received from two donors.

NOTE 5 LIQUIDITY

Spirit of Aurora maintains all financial assets, which consist solely of cash and cash equivalents, in liquid checking and money market accounts. The checking account is periodically monitored to ensure sufficient funds are available to meet the operational needs of the organization and cash in excess of those requirements is held in the money market account to earn interest.

The following reflects Spirit of Aurora's financial assets as of the balance sheet date. Amounts not available include contractual or donor-imposed restrictions.

	2022	2021
Financial Assets, as of December 31:	\$ 62,077	\$ 157,417
Less: Contractual or Donor-Imposed Restrictions Making Financial Assets Unavailable for General Expenditure	<u>(39,365)</u>	<u>(129,527)</u>
Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 22,712</u>	<u>\$ 27,890</u>

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 6 CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Program Name	January 1, 2022	Support Revenue	Released	December 31, 2022
A-GRIP	\$ -	\$ 20	\$ -	\$ 20
Animal Services	792	1,208	731	1,269
APD K-9	97	-	-	97
APD SWAT/SRT Unit	-	130	-	130
APD PAR	-	20	-	20
APD Victim Services	1,133	302	1,334	101
Asian Pacific Partnership	100,000	10,020	100,000	10,020
Aurora - Scholars	152	-	-	152
Aurora Center for Active Adults	1,878	70	-	1,948
Aurora Fox Theater	1,693	210	1,668	235
Aurora Homelessness Program	2,457	2,065	-	4,522
Aurora Mobile Food Pantry	2,131	1,406	1,791	1,746
Aurora Water Cares	2,453	172	2,424	201
COMPASS	-	182	-	182
Give Real Change	-	531	-	531
HOAP	5,736	52	-	5,788
Library Summer Reading	1,574	2,665	-	4,239
Martin Luther King Jr. Commemoration	1,020	572	1,020	572
Morning Star Adult Day Care Program	-	20	-	20
Parks and Recreation	5,412	2,714	2,700	5,426
Aurora Fire Community Awards Ceremony	-	40,000	40,000	-
Shots for Tots	1,492	205	1,622	75
Water for Life Program	131	52	-	183
Youth Development Program	1,376	512	-	1,888
Total	<u>\$ 129,527</u>	<u>\$ 63,128</u>	<u>\$ 153,290</u>	<u>\$ 39,365</u>

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 6 CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Program Name	January 1, 2021	Support Revenue	Released	December 31, 2021
A-GRIP	\$ 466	\$ 20	\$ 486	\$ -
Animal Services	2,477	1,365	3,050	792
APD Activities Club	50	-	50	-
APD K-9	1,709	160	1,772	97
APD SWAT/SRT Unit	98	-	98	-
APD PAR	575	-	575	-
APD Victim Services	-	1,880	747	1,133
Asian Pacific Partnership	50,000	100,000	50,000	100,000
Aurora - Scholars	12	140	-	152
Aurora Center for Active Adults	1,208	670	-	1,878
Aurora Fox Theater	1,023	670	-	1,693
Aurora Homelessness Program	1,392	1,065	-	2,457
Aurora Mobile Food Pantry	1,142	2,431	1,442	2,131
Aurora Water Cares	449	2,814	810	2,453
Aurora Youth Expo	6,124	-	6,124	-
HOAP	5,476	260	-	5,736
Library Summer Reading	1,564	10	-	1,574
Martin Luther King Jr. Commemoration	-	1,020	-	1,020
Morning Star Adult Day Care Program	770	20	790	-
Neighborhood Watch	8,646	-	8,646	-
Parks and Recreation	7,412	63,900	65,900	5,412
Shots for Tots	1,437	55	-	1,492
Teen Court	112	-	112	-
ReACT - Health Jam	342	-	342	-
Public Defenders Office	-	1,450	1,450	-
Water for Life Program	56	75	-	131
Youth Development Program	146	1,230	-	1,376
Total	<u>\$ 92,686</u>	<u>\$ 179,235</u>	<u>\$ 142,394</u>	<u>\$ 129,527</u>



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