

SPIRIT OF AURORA
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

**SPIRIT OF AURORA
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YEARS ENDED DECEMBER 31, 2017 AND 2016**

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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, 2017 and 2016, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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.

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

Greenwood Village, Colorado
September 6, 2018

SPIRIT OF AURORA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 76,952	\$ 79,312
Total Assets	\$ 76,952	\$ 79,312
NET ASSETS		
NET ASSETS		
Unrestricted	\$ 17,634	\$ 11,395
Temporarily Restricted	59,318	67,917
Total Net Assets	\$ 76,952	\$ 79,312

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2017
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and Contributions	\$ 8,379	\$ 15,306	\$ 23,685
In-Kind Contributions	18,304	-	18,304
Interest Income	84	-	84
Net Assets Released from Restrictions	<u>23,905</u>	<u>(23,905)</u>	<u>-</u>
Total Revenue and Support	50,672	(8,599)	42,073
EXPENSES			
Program Services	37,506	-	37,506
General and Administrative	<u>6,927</u>	<u>-</u>	<u>6,927</u>
Total Expenses	<u>44,433</u>	<u>-</u>	<u>44,433</u>
INCREASE (DECREASE) IN NET ASSETS	6,239	(8,599)	(2,360)
Net Assets - Beginning of Year	<u>11,395</u>	<u>67,917</u>	<u>79,312</u>
NET ASSETS - END OF YEAR	<u>\$ 17,634</u>	<u>\$ 59,318</u>	<u>\$ 76,952</u>

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2016
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and Contributions	\$ 3,168	\$ 16,084	\$ 19,252
In-Kind Contributions	19,273	-	19,273
Interest Income	100	-	100
Net Assets Released from Restrictions	<u>28,742</u>	<u>(28,742)</u>	<u>-</u>
Total Revenue and Support	51,283	(12,658)	38,625
EXPENSES			
Program Services	41,261	-	41,261
General and Administrative	<u>7,071</u>	<u>-</u>	<u>7,071</u>
Total Expenses	<u>48,332</u>	<u>-</u>	<u>48,332</u>
INCREASE (DECREASE) IN NET ASSETS	2,951	(12,658)	(9,707)
Net Assets - Beginning of Year	<u>8,444</u>	<u>80,575</u>	<u>89,019</u>
NET ASSETS - END OF YEAR	<u>\$ 11,395</u>	<u>\$ 67,917</u>	<u>\$ 79,312</u>

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>2017</u>	<u>2016</u>
CASH FLOWS USED BY OPERATING ACTIVITIES	<u>\$ (2,360)</u>	<u>\$ (9,707)</u>
NET DECREASE IN CASH	(2,360)	(9,707)
Cash - Beginning of Year	<u>79,312</u>	<u>89,019</u>
CASH - END OF YEAR	<u><u>\$ 76,952</u></u>	<u><u>\$ 79,312</u></u>
NONCASH TRANSACTIONS		
In-Kind Contributions	<u><u>\$ 18,304</u></u>	<u><u>\$ 19,273</u></u>

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Grants Distributed	\$ 25,905	\$ -	\$ 25,905
In-Kind Expense	11,410	6,894	18,304
Professional Fees	<u>191</u>	<u>33</u>	<u>224</u>
Total Expenses	<u>\$ 37,506</u>	<u>\$ 6,927</u>	<u>\$ 44,433</u>

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Grants Distributed	\$ 28,855	\$ -	\$ 28,855
In-Kind Expense	12,233	7,040	19,273
Professional Fees	<u>173</u>	<u>31</u>	<u>204</u>
Total Expenses	<u>\$ 41,261</u>	<u>\$ 7,071</u>	<u>\$ 48,332</u>

See accompanying Notes to Financial Statements.

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(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

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 information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted net assets. Unrestricted net assets come primarily from donations, grants, and contributions and are used by the Organization for program or supporting services. Temporarily restricted net assets are those net assets which use has been limited by donors to later periods of time, after specified dates or to specified purposes. Permanently restricted net assets must be maintained in perpetuity.

Revenue Recognition

The Organization reports unconditional gifts of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as "Net Assets Released from Restrictions".

Grants are recognized as revenue at the time the Organization receives commitment from the Grantor.

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.

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 statement 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.

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 2017 and 2016. Accordingly, no tax expense was incurred during the years ended December 31, 2017 and 2016.

Management has evaluated the tax positions taken and none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2017 and 2016. 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, 2017.

Subsequent Events

Management evaluated subsequent events through September 6, 2018, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2017, but prior to September 6, 2018, that provided additional evidence about conditions that existed at December 31, 2017, have been recognized in the financial statements for the year ended December 31, 2017. Events or transactions that provided evidence about conditions that did not exist at December 31, 2017, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended December 31, 2017.

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 2 TEMPORARILY RESTRICTED NET ASSETS

The Organization receives contributions from various corporations, organizations, and individuals, which are temporarily restricted. At December 31, 2017 and 2016, temporarily restricted net assets are comprised entirely of contributions related to a specific purpose (see Note 6).

NOTE 3 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 in-kind exchange services toward the operations of the Organization (see Note 4). The agreement automatically renews if it is not terminated by either party.

NOTE 4 IN-KIND CONTRIBUTIONS

Noncash contributions of property, materials, and professional services are known as in-kind donations and are recorded at estimated value at date of receipt. Total revenue recorded from in-kind donations for the years ended December 31, 2017 and 2016 was \$18,304 and \$19,273, respectively, related to accounting services.

NOTE 5 CONCENTRATIONS

For the years ended December 31, 2017 and 2016, approximately 56% and 42% of the Organization's grants and contributions revenue was concentrated with three donors in each year.

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 6 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS

Program Name	January 1, 2017	Support Revenue	Released	December 31, 2017
Aurora Police 720 Shooting	\$ 2,709	\$ -	\$ -	\$ 2,709
A-GRIP	50	-	-	50
Animal Care	2,294	2,650	940	4,004
APD - K9	14,070	414	-	14,484
APD Victims Services Unit	2,212	950	-	3,162
Asian Pacific Partnership	-	1,100	1,000	100
Aurora Fox Theater	2,428	1,270	-	3,698
Aurora Police Activities Club	50	-	-	50
Aurora Pride	100	-	-	100
Aurora Veterans Program	1,165	-	1,165	-
Aurora Homelessness Program	-	3,225	-	3,225
Aurora - Scholars	-	25	-	25
Compass	25,204	105	13,571	11,738
Home Ownership Assistance Program	4,150	5,065	4,155	5,060
Library Summer Reading	180	10	-	190
Little Foxes	9	-	-	9
MLK Commemoration	-	15	-	15
Morning Star	82	96	-	178
Neighborhood Watch	8,646	-	-	8,646
Office of Emerg. Mgmt.	26	-	-	26
Parks and Recreation	59	288	-	347
Recreational Opportunities for Aurora Residents	10	-	10	-
Shots for Tots	3,973	65	3,064	974
Teen Court	-	2	-	2
Mental Health Court	500	-	-	500
Water for Life	-	26	-	26
Total	<u>\$ 67,917</u>	<u>\$ 15,306</u>	<u>\$ 23,905</u>	<u>\$ 59,318</u>

SPIRIT OF AURORA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 6 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Program Name	January 1, 2016	Support Revenue	Released	December 31, 2016
Aurora Police 720 Shooting	\$ 2,709	\$ -	\$ -	\$ 2,709
A-GRIP	-	50	-	50
APD PAR	1,000	-	1,000	-
Animal Care	857	3,168	1,731	2,294
APD - K9	12,237	1,833	-	14,070
APD Victims Services Unit	1,540	672	-	2,212
APD Explorers	8,350	-	8,350	-
Asian Pacific Partnership	2,873	1,445	4,318	-
Aurora Fox Theater	1,223	1,205	-	2,428
Aurora Police Activities Club	2,000	-	1,950	50
Aurora Pride	5,100	-	5,000	100
Aurora Veterans Program	1,165	-	-	1,165
Compass	25,194	10	-	25,204
Home Ownership Assistance Program	-	5,650	1,500	4,150
Library Summer Reading	70	110	-	180
Little Foxes	9	-	-	9
Morning Star	33	49	-	82
National Night Out	470	(470)	-	-
Neighborhood Watch	8,176	470	-	8,646
Office of Emerg. Mgmt.	26	-	-	26
Parks and Recreation	-	59	-	59
Recreational Opportunities for Aurora Residents	10	-	-	10
Shots for Tots	3,973	-	-	3,973
Teen Court	3,060	-	3,060	-
Mental Health Court	500	-	-	500
Water for Life	-	1,833	1,833	-
Total	<u>\$ 80,575</u>	<u>\$ 16,084</u>	<u>\$ 28,742</u>	<u>\$ 67,917</u>