

HELENA COLLEGE FOUNDATION

FINANCIAL REPORT

June 30, 2021 and 2020



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To the Board of Directors
Helena College Foundation
Helena, Montana

Management is responsible for the accompanying financial statements of Helena College Foundation (a foundation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Anderson Zurmuehlen + Co., P.C.

Helena, Montana
December 28, 2021

FINANCIAL STATEMENTS

HELENA COLLEGE FOUNDATION
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 48,075	\$ 51,373
Total current assets	<u>48,075</u>	<u>51,373</u>
PROPERTY AND EQUIPMENT - at cost		
Vehicles	35,480	12,000
Less accumulated depreciation	<u>(12,522)</u>	<u>(6,600)</u>
Total property and equipment	<u>22,958</u>	<u>5,400</u>
INVESTMENTS	<u>76,765</u>	<u>61,887</u>
Total assets	<u>\$ 147,798</u>	<u>\$ 118,660</u>
LIABILITIES AND NET ASSETS		
NET ASSETS		
Without donor restrictions	55,353	21,575
With donor restrictions	<u>92,445</u>	<u>97,085</u>
Total net assets	<u>147,798</u>	<u>118,660</u>
Total liabilities and net assets	<u>\$ 147,798</u>	<u>\$ 118,660</u>

See Accountant's Compilation Report.

HELENA COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE AND SUPPORT			
Contributions	\$ 33,135	\$ 26,032	\$ 59,167
Interest income	4	-	4
Investment income, net	531	-	531
Unrealized gain on investments	<u>14,347</u>	<u>-</u>	<u>14,347</u>
Revenue and support	48,017	26,032	74,049
Net assets released from restrictions	<u>30,672</u>	<u>(30,672)</u>	<u>-</u>
Total revenue and support	<u>78,689</u>	<u>(4,640)</u>	<u>74,049</u>
EXPENSES			
Program Services	44,840	-	44,840
General and Administration	<u>71</u>	<u>-</u>	<u>71</u>
Total expenses	<u>44,911</u>	<u>-</u>	<u>44,911</u>
Change in net assets	33,778	(4,640)	29,138
Net assets, beginning of year	<u>21,575</u>	<u>97,085</u>	<u>118,660</u>
Net assets, end of year	<u>\$ 55,353</u>	<u>\$ 92,445</u>	<u>\$ 147,798</u>

See Accountant's Compilation Report.

HELENA COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE AND SUPPORT			
Contributions	\$ 431	\$ 21,927	\$ 22,358
Interest income	138	-	138
Investment income, net	2,026	-	2,026
Unrealized gain on investments	<u>1,402</u>	<u>-</u>	<u>1,402</u>
Revenue and support	3,997	21,927	25,924
Net assets released from restrictions	<u>28,168</u>	<u>(28,168)</u>	<u>-</u>
Total revenue and support	<u>32,165</u>	<u>(6,241)</u>	<u>25,924</u>
EXPENSES			
Program Services	39,682	-	39,682
General and Administration	<u>1,751</u>	<u>-</u>	<u>1,751</u>
Total expenses	<u>41,433</u>	<u>-</u>	<u>41,433</u>
Change in net assets	(9,268)	(6,241)	(15,509)
Net assets, beginning of year	<u>30,843</u>	<u>103,326</u>	<u>134,169</u>
Net assets, end of year	<u>\$ 21,575</u>	<u>\$ 97,085</u>	<u>\$ 118,660</u>

See Accountant's Compilation Report.

HELENA COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	2021			
	Program Services	Fundraising	General and Administrative	Total
EXPENSES				
Program:				
Bank fees	\$ 163	\$ -	\$ 41	204
Miscellaneous	120	-	30	150
Depreciation expense	5,922	-	-	5,922
Scholarships	<u>38,635</u>	<u>-</u>	<u>-</u>	<u>38,635</u>
Total program expenses	<u>\$ 44,840</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 44,911</u>

See Accountant's Compilation Report.

HELENA COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	2020			
	Program Services	Fundraising	General and Administrative	Total
EXPENSES				
Program:				
Bank fees	\$ 101	\$ -	\$ 25	\$ 126
Contract Services	4,960	-	1,240	6,200
General & Administrative	687	-	172	859
Depreciation expense	2,400	-	-	2,400
Insurance	720	-	180	900
Fundraising	60	-	15	75
Office supplies	107	-	27	134
Promotion	370	-	92	462
Scholarships	<u>30,277</u>	<u>-</u>	<u>-</u>	<u>30,277</u>
Total program expenses	<u>\$ 39,682</u>	<u>\$ -</u>	<u>\$ 1,751</u>	<u>\$ 41,433</u>

See Accountant's Compilation Report.

HELENA COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 29,138	\$ (15,509)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	5,922	2,400
Unrealized gain on investments	(14,347)	(1,402)
Donation of vehicle	(23,480)	-
Change in operating assets and liabilities:		
Accounts receivables	<u>-</u>	<u>4,000</u>
Net cash flows from operating activities	<u>(2,767)</u>	<u>(10,511)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment interest and dividends reinvested	<u>(531)</u>	<u>(2,026)</u>
Net cash flows from investing activities	<u>(531)</u>	<u>(2,026)</u>
Net change in cash and cash equivalents	(3,298)	(12,537)
Cash and cash equivalents, beginning of the year	<u>51,373</u>	<u>63,910</u>
Cash and cash equivalents, end of the year	<u>\$ 48,075</u>	<u>\$ 51,373</u>

See Accountant's Compilation Report.

HELENA COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Helena College Foundation (the Foundation) was incorporated in 2014 in the state of Montana as a not-for-profit corporation. Accordingly, the primary activities of the Foundation include fundraising and asset management in support of Helena College.

Basis of Accounting and Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board.

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Accordingly, net assets of the Foundation and changes are classified and reported as follows:

Net Assets Without Donor Restrictions

Funds that are not subject to donor-imposed stipulations or board designations and donor restricted contributions whose restrictions are met in the same reporting period.

In the absence of donor stipulations regarding how long-lived assets or assets purchased with restricted contributions must be used, the Foundation has adopted the policy of recording proceeds from any future disposition of these assets as net assets without donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions are generally restricted by donors for the assistance of program or other gifts restricted as to purpose or time. When a donor restriction expires (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 statement of activities as net assets released from restriction. All expenses are reported in net assets without donor restrictions, after applicable restrictions have been satisfied.

Funds created by gifts, which may also include any gains and losses on the gift unless otherwise specified by the donor, are required by the donor to be invested and maintained in perpetuity. As of June 30, 2021 and 2020, there were no net assets held in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

HELENA COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Revenue Recognition

Revenue is recognized when it is earned and realized or realizable. Contributions are recognized as revenues in the period received. Contributions of assets other than cash are recorded at their estimated fair value on the date contributed.

The Foundation reports gifts of land, buildings, and equipment as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions specifying how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are recorded as with donor restrictions.

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers cash and cash equivalents as all interest-bearing deposits and debt securities with original maturities of three months or less to be cash equivalents. The Foundation maintains its cash deposits at First Interstate Bank whose cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) for deposits up to \$250,000. From time to time, certain bank accounts that are subject to limited FDIC coverage may exceed their insured limits. At June 30, 2021 and 2020, cash balances did not exceed this limit.

Investments

Investments are managed by third-party investment managers engaged by the Foundation, and are monitored by the Finance and the Investment Committees. Investments are made in mutual funds. Monthly changes in market value are recorded as unrealized gain or loss in the statements of activities.

Property and Equipment

The Foundation capitalizes all property and equipment with an original cost of \$5,000 or more and more than two years of useful life. Depreciation expense for the years ended June 30, 2021 and 2020, amounted to \$5,922 and \$2,400, respectively. Depreciation is computed using the straight-line method over the following estimated useful lives:

Vehicles	5 years
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On October 5, 2017, the Foundation received a donation of a 2007 Western Star truck with an estimated value of \$12,000, for the use by Helena College for the minimum of 5 years. Helena College has agreed to return the truck to the Foundation in good working order at the completion of the contract.

HELENA COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Property and Equipment (Continued)

On October 5, 2020, the Foundation received a donation of a 2012 Freightliner Cascadia truck with an estimated value of \$23,480 for the use by Helena College for its sole use in the Diesel Program.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis on the statement of activities. Directly identifiable expenses are charged to program services and fundraising. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. Other general and administrative expenses that support more than one function are allocated based on management's analysis of staff time and effort.

Income Taxes

The Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c)(3), by a determination letter dated June 25, 2015, and has been ruled by the Internal Revenue Service not to be a private foundation. As a result, no provision for income tax is included in the accompanying financial statements.

Accounting Estimates

Management of the Foundation has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Accordingly, actual results could differ from those estimates.

Advertising Costs

Advertising costs are expensed in the year incurred. There were no advertising expenses in fiscal years 2021 and 2020.

Subsequent Events

Management has evaluated subsequent events through December 28, 2021, the date which the financial statements were available to be issued.

HELENA COLLEGE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2021 and 2020

NOTE 2. LIQUIDITY AND AVAILABILITY

Management has identified the following assets as of June 30, 2021 and 2020, as available for general operations in the subsequent fiscal year:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 48,075	\$ 51,373
Investments	<u>76,765</u>	<u>61,887</u>
Total financial assets	<u>\$ 124,840</u>	<u>\$ 113,260</u>

Financial assets available for general expenditure include those without donor or other restrictions limiting their use within one year of the balance sheet date. Cash balances are routinely monitored in light of projected cash needs and excess balances are transferred to a savings account, where they are managed to provide for short-term liquidity and to grow the funds value over time.

NOTE 3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Scholarships	\$ 31,195	\$ 33,585
Academic Program Support	<u>61,250</u>	<u>63,500</u>
Total net assets with donor restrictions	<u>\$ 92,445</u>	<u>\$ 97,085</u>

NOTE 4. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes as follows:

	<u>2021</u>	<u>2020</u>
Scholarships	\$ 28,422	\$ 28,168
Academic Program Support	<u>2,250</u>	<u>-</u>
Total	<u>\$ 30,672</u>	<u>\$ 28,168</u>

HELENA COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 5. INVESTMENTS

The Foundation's investments at June 30, 2021 and 2020, consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
2021:			
Cash and cash equivalents	\$ 1,979	\$ 1,979	\$ -
Mutual funds	<u>55,773</u>	<u>74,786</u>	<u>19,013</u>
Total	<u>\$ 57,752</u>	<u>\$ 76,765</u>	<u>\$ 19,013</u>
2020:			
Cash and cash equivalents	\$ 1,979	\$ 1,979	\$ -
Mutual funds	<u>53,241</u>	<u>59,908</u>	<u>6,667</u>
Total	<u>\$ 55,220</u>	<u>\$ 61,887</u>	<u>\$ 6,667</u>

Investment income is presented on the financial statements as follows:

	<u>Unrestricted 2021</u>	<u>Unrestricted 2020</u>
Interest and dividend income and capital gains	\$ 2,453	\$ 3,581
Unrealized gains	14,347	1,402
Fees and expenses	<u>(1,922)</u>	<u>(1,555)</u>
Total investment income	<u>\$ 14,878</u>	<u>\$ 3,428</u>

Fair Value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs, using the market value approach. GAAP establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels:

- Level 1: Quoted market prices available through public exchange venues for identical assets or liabilities.
- Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, 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 for the asset or liability due to little or no market activity at the measurement date.

HELENA COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 5. INVESTMENTS (CONTINUED)

The Foundation's policy for determining the timing of significant transfers between Levels 1, 2, and 3 is at the end of the reporting period. Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020, and there were no transfers.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds and are required to publish their daily net asset value (NAV) of shares and to transact that price. The funds held by the Foundation are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	Amount	Fair Value		
		Quoted prices in active markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2021:				
Cash and cash equivalents	\$ 1,979	\$ 1,979	\$ -	\$ -
Investments - mutual funds	<u>74,786</u>	<u>74,786</u>	<u>-</u>	<u>-</u>
	<u>\$ 76,765</u>	<u>\$ 76,765</u>	<u>\$ -</u>	<u>\$ -</u>
2020:				
Cash and cash equivalents	1,979	\$ 1,979	\$ -	\$ -
Investments - mutual funds	<u>59,908</u>	<u>59,908</u>	<u>-</u>	<u>-</u>
	<u>\$ 61,887</u>	<u>\$ 61,887</u>	<u>\$ -</u>	<u>\$ -</u>



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