

**Colorado State Chapter P.E.O. Sisterhood**

**FINANCIAL REPORT**

**March 31, 2021 and 2020**

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## INDEPENDENT AUDITOR'S REPORT

Executive Board  
Colorado State Chapter P.E.O. Sisterhood

We have audited the accompanying statements of cash receipts and disbursements of Colorado State Chapter P.E.O. Sisterhood for the years ended March 31, 2021 and 2020, 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 the cash basis of accounting as described in Note 1, including determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements under 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 State Chapter'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 State Chapter'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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of Colorado State Chapter P.E.O. Sisterhood for the years ended March 31, 2021 and 2020 in accordance with the cash basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Also, as described in Note 1, the financial statements do not include the accounts and transactions for each of Colorado P.E.O. Charitable Corporation and state convention funds. Our opinion is not modified with respect to these matters.

### **Other**

The accompanying financial statements are that of Colorado State Chapter P.E.O. Sisterhood, only, and are not that of the primary reporting entity. The financial statements of The International Chapter of the P.E.O. Sisterhood have been issued to its Executive Board as the financial statements of the primary reporting entity.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 8 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the use of the Executive Board and management of each of Colorado State Chapter P.E.O. Sisterhood and The International Chapter of the P.E.O. Sisterhood and is not intended to be and should not be used by anyone other than these specified parties.

*Denman & Company, LLP*

**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
May 28, 2021

**Colorado State Chapter P.E.O. Sisterhood  
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS**

	<b>Year ended March 31</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH RECEIPTS</b>		
Annual dues		
State	\$ 132,186	\$ 142,937
International	247,289	270,506
Contributions		
State		
Colorado Cottey College Scholarship – Foundation Fund	34,098	40,237
Colorado State Scholarship – Foundation Fund	44,982	55,012
Marguerite Gifts Fund	25	50
International		
Cottey College	40,480	53,459
P.E.O. Educational Loan Fund	44,407	51,110
P.E.O. International Peace Scholarship Fund	44,166	56,894
P.E.O. Program for Continuing Education	62,724	79,274
P.E.O. Scholar Awards	45,636	57,282
P.E.O. STAR Scholarship Program	51,114	73,351
P.E.O. Foundation	61,101	55,275
P.E.O. Sesquicentennial Celebration	–	3,125
Other		
Interest income	1,538	3,381
Miscellaneous	3,713	30
Total cash receipts	813,459	941,923
<b>CASH DISBURSEMENTS</b>		
State		
Colorado Cottey College Scholarship – Foundation Fund	11,155	40,237
Colorado State Scholarship – Foundation Fund	34,752	55,012
Marguerite Gifts Fund	–	50
Honorariums and Memorials	12,500	300
International		
Annual dues	–	270,484
Contributions	245,229	429,770
State convention	51,259	70,872
International convention	323	34,308
Administration and general	29,658	50,835
Total cash disbursements	384,876	951,868
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	428,583	(9,945)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	329,804	339,749
Ending	\$ 758,387	\$ 329,804

See Notes to Financial statements.

**Colorado State Chapter P.E.O. Sisterhood  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Colorado State Chapter P.E.O. Sisterhood is organized under The International Chapter of the P.E.O. Sisterhood, a nonprofit corporation established as a philanthropic and educational organization interested in bringing to women increased opportunities for higher education.

**Basis of Presentation**

The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from accounting principles generally accepted in the United States of America primarily due to the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statements are not included in the financial statements.

Cash and cash equivalents, which represent the net assets of the State Chapter, are not classified as either with or without donor restrictions. Cash and cash equivalents also include certificates of deposit which have original maturities of more than three months. Accounting principles generally accepted in the United States of America require that investments with original maturities of greater than three months are to be excluded from cash and cash equivalents. In addition, the financial statements of the State Chapter do not include the accounts and transactions for each of Colorado P.E.O. Charitable Corporation and state convention funds.

**Cash and Cash Equivalents**

Cash and cash equivalents include certificates of deposit.

**Contributions**

**Colorado Cottey College Scholarship Fund**

The State Chapter has a Colorado Cottey College Scholarship Fund. Scholarships are awarded annually to Cottey College students from Colorado. The fund consists of contributions from local chapters, individuals and bequests. Excess state funds may also be transferred to this fund upon the recommendation of the Finance Committee, approval of the Executive Board and a two-thirds vote of the members of the convention of the State Chapter.

**Colorado State Scholarship Fund**

The State Chapter has a Colorado State Scholarship Fund. Scholarships are awarded to women enrolled in accredited institutions of advanced learning and in keeping with the guidelines of the P.E.O. Foundation. The fund consists of contributions from local chapters, individuals, and/or bequests. Excess state funds may also be transferred to this fund upon the recommendation of the Finance Committee, approval of the Executive Board and a two-thirds vote of the members of the convention of the State Chapter.

**Colorado State Chapter P.E.O. Sisterhood  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributions (continued)**

**Other**

Cottey College contributions represent amounts received in support of the College's mission.

P.E.O. Educational Loan Fund contributions represent amounts received to be used for loans to qualified women students from the United States or Canada to assist them in securing higher education and for expenses of administering the fund.

P.E.O. International Peace Scholarship Fund contributions represent amounts received to be used to provide scholarships for international women students to pursue graduate study in the United States or Canada and for expenses of administering the fund.

P.E.O. Program for Continuing Education contributions represent amounts received to be used to provide grants for qualified women students from the United States or Canada who have a definite need for financial assistance to continue their education and for expenses of administering the fund.

P.E.O. Scholar Awards contributions represent amounts received to be used to provide scholarship awards for qualified women from the United States or Canada to pursue advanced degrees or engage in advanced study and research and for expenses of administering the fund.

P.E.O. STAR Scholarship Program contributions represent amounts received to be used to provide scholarship awards to high school seniors who are pursuing post-secondary education at accredited institutions and for expenses of administering the fund.

P.E.O. Foundation contributions represent amounts received to be remitted to the P.E.O. Foundation. Gifts may be designated for specific purposes or undesignated in which case they would be available to benefit all P.E.O. International programs.

**Income Taxes**

The State Chapter is exempt from federal income taxes under applicable provisions of the Internal Revenue Code.

The State Chapter has evaluated their material tax positions and determined no income tax effects with respect to the financial statements. The State Chapter's tax returns are subject to tax examinations by tax authorities for a period of three years from the date the return was filed. The State Chapter has not been notified of any impending examinations by tax authorities, and no examinations are in process.

**Subsequent Events**

The State Chapter has evaluated subsequent events through May 28, 2021, the date which the financial statements were available to be issued. There were no subsequent events required to be accrued or disclosed.

**Colorado State Chapter P.E.O. Sisterhood  
SUPPLEMENTARY INFORMATION**

**SCHEDULES OF CASH AND CASH EQUIVALENTS**

	<b>March 31</b>	
	<b>2021</b>	<b>2020</b>
Cash	\$ 654,161	\$ 226,974
Certificates of deposit	104,226	102,830
Totals	\$ 758,387	\$ 329,804

**SCHEDULES OF NET ASSETS**

	<b>March 31</b>	
	<b>2021</b>	<b>2020</b>
General Fund	\$ 25,537	\$ 2,387
State Chapter Dues Fund	132,186	142,831
International Chapter Dues Fund	246,662	-
General Reserve Fund	131,484	181,497
International Convention Fund	37,638	13,089
State Convention Fund	47,282	(10,000)
International Project funds	104,400	-
Marguerite Fund	25	-
Colorado Cottey College Scholarship – Foundation Fund	22,943	-
Colorado State Scholarship – Foundation Fund	10,230	-
Totals	\$ 758,387	\$ 329,804