



May 6, 2022

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

We have audited the financial statement of Colorado State Chapter P.E.O. Sisterhood for the year ended March 31, 2022, and have issued our report thereon dated May 6, 2022. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated June 30, 2021, for the year ended March 31, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statement prepared by management with your oversight is fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statement does not relieve you or management of your responsibilities.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our discussions about planning matters.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the State Chapter are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2022. We noted no transactions entered into by the State Chapter during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statement in a different period than when the transaction occurred.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements were noted.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 6, 2022.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the State Chapter's financial statement or a determination of the type of auditor's opinion that may be expressed on their statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the State Chapter's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Sincerely,



**DENMAN & COMPANY, LLP**

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

**FINANCIAL REPORT**

**March 31, 2022 and 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying financial statements of Colorado State Chapter P.E.O. Sisterhood, which comprise the statements of cash receipts and disbursements for the years ended March 31, 2022 and 2021, and the related notes to the financial statements.

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, 2022 and 2021 in accordance with the cash basis of accounting as described in Note 1.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Colorado State Chapter P.E.O. Sisterhood and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management 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 in 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado State Chapter P.E.O. Sisterhood's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Colorado State Chapter P.E.O. Sisterhood's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado State Chapter P.E.O. Sisterhood's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 audit 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.

### **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 aforementioned 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.

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

West Des Moines, Iowa  
May 27, 2022

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

	<u>Year ended March 31</u>	
	<u>2022</u>	<u>2021</u>
<b>CASH RECEIPTS</b>		
Annual dues		
State	\$ 134,670	\$ 132,186
International	252,940	247,289
Contributions		
State		
Colorado Cottey College Scholarship – Foundation Fund	39,626	34,098
Colorado State Scholarship – Foundation Fund	54,872	44,982
Marguerite Gifts Fund	–	25
International		
Cottey College	51,316	40,480
P.E.O. Educational Loan Fund	55,253	44,407
P.E.O. International Peace Scholarship Fund	55,103	44,166
P.E.O. Program for Continuing Education	85,620	62,724
P.E.O. Scholar Awards	53,199	45,636
P.E.O. STAR Scholarship Program	61,167	51,114
P.E.O. Foundation	53,341	61,101
Other		
Interest income	2,309	1,538
Miscellaneous	<u>5,078</u>	<u>3,713</u>
Total cash receipts	<u>904,494</u>	<u>813,459</u>
<b>CASH DISBURSEMENTS</b>		
State		
Colorado Cottey College Scholarship – Foundation Fund	62,569	11,155
Colorado State Scholarship – Foundation Fund	65,102	34,752
Honorariums and Memorials	12,600	12,500
International		
Annual dues	257,538	–
Contributions	531,200	245,229
State convention	54,206	51,259
International convention	6,237	323
Administration and general	<u>38,748</u>	<u>29,658</u>
Total cash disbursements	<u>1,028,200</u>	<u>384,876</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(123,706)	428,583
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	<u>758,387</u>	<u>329,804</u>
Ending	<u>\$ 634,681</u>	<u>\$ 758,387</u>

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 27, 2022, 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>2022</b>	<b>2021</b>
Cash	\$ 528,373	\$ 654,161
Certificates of deposit	106,308	104,226
Totals	\$ 634,681	\$ 758,387

**SCHEDULES OF NET ASSETS**

	<b>March 31</b>	
	<b>2022</b>	<b>2021</b>
General Fund	\$ 22,951	\$ 25,537
Annual Reports Processing Fund	372,160	378,848
General Reserve Fund	184,266	131,484
International Convention Fund	55,304	37,638
State Convention Fund	-	47,282
International Project funds	-	104,400
Marguerite Fund	-	25
Colorado Cottey College Scholarship – Foundation Fund	-	22,943
Colorado State Scholarship – Foundation Fund	-	10,230
Totals	\$ 634,681	\$ 758,387