



Centennial Education Foundation

Financial Statements
Years Ended June 30, 2021 and 2020



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CENTENNIAL EDUCATION FOUNDATION

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**Board of Directors
Centennial Education Foundation**

Management is responsible for the accompanying financial statements of the Centennial Education Foundation (a nonprofit organization), which comprise the statements of assets, liabilities and net assets – modified cash basis as of June 30, 2021 and 2020, and the related statements of revenues and expenses – modified cash basis and functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

BBD, LLP

**Philadelphia, Pennsylvania
September 20, 2021**

CENTENNIAL EDUCATION FOUNDATION

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 115,963	\$ 171,193
Investments	<u>453,195</u>	<u>345,148</u>
Total assets	<u>\$ 569,158</u>	<u>\$ 516,341</u>
 LIABILITIES	 <u>\$ -</u>	 <u>\$ -</u>
 NET ASSETS		
Without donor restrictions	289,957	265,428
With donor restrictions	<u>279,201</u>	<u>250,913</u>
Total net assets	<u>569,158</u>	<u>516,341</u>
 Total liabilities and net assets	 <u>\$ 569,158</u>	 <u>\$ 516,341</u>

See accompanying notes and independent accountant's compilation report

CENTENNIAL EDUCATION FOUNDATION

STATEMENTS OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

Years ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions and grants	\$ 94,065	\$ 7,900	\$ 101,965	\$ 45,364	\$ 55,545	\$ 100,909
Investment income	28,864	72,162	101,026	4,929	5,358	10,287
Special event revenue	35,168	-	35,168	61,431	-	61,431
Net assets released from restrictions	51,774	(51,774)	-	14,068	(14,068)	-
Total support and revenue	<u>209,871</u>	<u>28,288</u>	<u>238,159</u>	<u>125,792</u>	<u>46,835</u>	<u>172,627</u>
EXPENSES						
Program services	146,132	-	146,132	51,603	-	51,603
Supporting services						
General and administrative	16,928	-	16,928	11,987	-	11,987
Fundraising	8,045	-	8,045	3,993	-	3,993
Total supporting services	<u>24,973</u>	<u>-</u>	<u>24,973</u>	<u>15,980</u>	<u>-</u>	<u>15,980</u>
Direct benefit to donors	<u>14,237</u>	<u>-</u>	<u>14,237</u>	<u>28,446</u>	<u>-</u>	<u>28,446</u>
Total expenses	<u>185,342</u>	<u>-</u>	<u>185,342</u>	<u>96,029</u>	<u>-</u>	<u>96,029</u>
CHANGE IN NET ASSETS	24,529	28,288	52,817	29,763	46,835	76,598
NET ASSETS						
Beginning of year	<u>265,428</u>	<u>250,913</u>	<u>516,341</u>	<u>235,665</u>	<u>204,078</u>	<u>439,743</u>
End of year	<u>\$ 289,957</u>	<u>\$ 279,201</u>	<u>\$ 569,158</u>	<u>\$ 265,428</u>	<u>\$ 250,913</u>	<u>\$ 516,341</u>

See accompanying notes and independent accountant's compilation report

CENTENNIAL EDUCATION FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

Years ended June 30, 2021 and 2020

	2021					2020				
	Supporting Services			Direct Benefit to Donors	Total	Supporting Services			Direct Benefit to Donors	Total
	Program Services	General and Administrative	Fundraising			Program Services	General and Administrative	Fundraising		
Grants to Centennial School District	\$ 76,472	\$ -	\$ -	\$ -	\$ 76,472	\$ 25,478	\$ -	\$ -	\$ -	\$ 25,478
Contributions	34,160	-	-	-	34,160	1,000	-	-	-	1,000
Advertising	-	1,839	-	-	1,839	-	295	-	-	295
Contracted services	12,500	6,250	6,250	-	25,000	7,125	3,562	3,562	-	14,249
General and administrative services	-	6,144	-	-	6,144	-	5,484	-	-	5,484
Insurance	-	1,195	-	-	1,195	-	1,146	-	-	1,146
Professional services	-	1,500	-	-	1,500	-	1,500	-	-	1,500
Scholarships	23,000	-	-	-	23,000	18,000	-	-	-	18,000
† Special event expenses	-	-	1,795	14,237	16,032	-	-	431	28,446	28,877
Total expenses	<u>\$ 146,132</u>	<u>\$ 16,928</u>	<u>\$ 8,045</u>	<u>\$ 14,237</u>	<u>\$ 185,342</u>	<u>\$ 51,603</u>	<u>\$ 11,987</u>	<u>\$ 3,993</u>	<u>\$ 28,446</u>	<u>\$ 96,029</u>

See accompanying notes and independent accountant's compilation report

CENTENNIAL EDUCATION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

(1) NATURE OF OPERATIONS

The Centennial Education Foundation ("**CEF**") is a nonprofit organization, incorporated in the Commonwealth of Pennsylvania. CEF is committed to providing enriching educational opportunities, programs, and projects for students in the Centennial School District (the "**District**").

In December 2019, an outbreak of a novel strain of coronavirus ("**COVID-19**") was identified and has since spread worldwide, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 14, 2020, Pennsylvania Governor Tom Wolf ordered the closure of the physical location of every "non-essential" business in Bucks County for what was an extended period of time resulting in disruptions and restrictions on CEF programs.

(2) SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

CEF's financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the cash basis of accounting, support and revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. The modification to the cash basis of accounting includes recording investments.

Basis of Presentation

CEF reports information regarding its financial position and activities according to the following classes of net assets:

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions.

With donor restrictions

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of CEF and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of revenues and expenses – modified cash basis as net assets released from restrictions.

This category also includes net assets that are subject to donor-imposed restrictions that neither expire by passage of time nor can be satisfied by actions of CEF.

Accounting Estimates

In preparing financial statements in conformity with the cash basis of accounting, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Cash represents a financial instrument that potentially subjects CEF to concentration of credit risk. At times, such deposits may exceed federally-insured limits. CEF did not have any deposits in excess of federally-insured limits in 2021 and 2020.

Investments and Investment Income

Investments are reported at fair value with realized and unrealized gains and losses reported in the statements of revenues and expenses – modified cash basis. Interest and dividends are recorded as received.

CENTENNIAL EDUCATION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

CEF invests in professionally managed portfolios that contain various types of securities (**See Note 3**). Such investments are exposed to market and credit risks. Due to the level of risk associated with such investments, and the level of uncertainty related to the changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect investment balances and the amounts reported in the financial statements.

Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. CEF establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of CEF. Unobservable inputs reflect CEF's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that CEF has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect CEF's own assumptions.

Contributions and Grants

Contributions and grants received are recorded as net assets with donor restrictions and without donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor restricted contributions and grants whose restrictions are satisfied in the same period are reported as without donor restrictions.

Some of CEF's general and administrative and fundraising services are provided by members of CEF's Board of Directors without compensation. In addition, CEF receives significant amounts of time from volunteers who perform various functions without compensation. The financial statements do not reflect the value of these contributed services since the services do not meet the criteria for recognition.

Functional Allocation of Expenses

The costs of providing the program and supporting services have been presented on a functional basis in the statements of revenues and expenses – modified cash basis and functional expenses – modified cash basis. All expenses are directly attributable to a specific functional area and have been reported as expenses of that functional area.

Income Taxes

CEF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; and no provision or liability for income taxes is included in the accompanying financial statements.

CEF has adopted an accounting standard regarding uncertain tax positions. The standard prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. CEF believes that it had no uncertain tax positions as defined in the standard.

CENTENNIAL EDUCATION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

(3) INVESTMENTS

Investments at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Mutual funds	\$ 82,280	\$ 59,095
Common stocks	2,124	-
Exchange traded funds	293,800	211,646
Certificates of deposit	<u>74,991</u>	<u>74,407</u>
	<u>\$453,195</u>	<u>\$345,148</u>

Investment income for the years ended June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 6,849	\$ 6,599
Net realized and unrealized gain	<u>94,177</u>	<u>3,688</u>
	<u>\$101,026</u>	<u>\$ 10,287</u>

(4) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2021 and 2020 consisted of contributions and investment income restricted for the following purposes:

	<u>Balance July 1, 2020</u>	<u>Contributions</u>	<u>Investment Income</u>	<u>Released from Restriction</u>	<u>Balance June 30, 2021</u>
<u>Purpose restrictions</u>					
Kyle Quinn scholarship	\$201,938	\$ 7,900	\$72,162	\$(14,324)	\$267,676
Scholarships – other	5,000	-	-	(5,000)	-
EITC innovative educational programs	22,600	-	-	(22,600)	-
WTHS mental health program	11,525	-	-	-	11,525
Community food program	<u>9,850</u>	<u>-</u>	<u>-</u>	<u>(9,850)</u>	<u>-</u>
	<u>\$250,913</u>	<u>\$ 7,900</u>	<u>\$72,162</u>	<u>\$(51,774)</u>	<u>\$279,201</u>

	<u>Balance July 1, 2019</u>	<u>Contributions</u>	<u>Investment Income</u>	<u>Released from Restriction</u>	<u>Balance June 30, 2020</u>
<u>Purpose restrictions</u>					
Kyle Quinn scholarship	\$204,078	\$ 6,570	\$ 5,358	\$(14,068)	\$201,938
Scholarships – other	-	5,000	-	-	5,000
EITC innovative educational programs	-	22,600	-	-	22,600
WTHS mental health program	-	11,525	-	-	11,525
Community food program	<u>-</u>	<u>9,850</u>	<u>-</u>	<u>-</u>	<u>9,850</u>
	<u>\$204,078</u>	<u>\$55,545</u>	<u>\$ 5,358</u>	<u>\$(14,068)</u>	<u>\$250,913</u>

CENTENNIAL EDUCATION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

(5) ASSETS MEASURED AT FAIR VALUE

The following table presents information about CEF's assets that are measured at fair value and the valuation inputs used to value them:

<u>Description</u>	<u>Balance June 30, 2021</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Investments				
Mutual funds	\$ 82,280	\$ 82,280	\$ -	\$ -
Common stocks	2,124	2,124	-	-
Exchange traded funds	293,800	293,800	-	-
Certificates of deposit	<u>74,991</u>	<u>-</u>	<u>74,991</u>	<u>-</u>
	<u>\$453,195</u>	<u>\$378,204</u>	<u>\$74,991</u>	<u>\$ -</u>
<u>Description</u>	<u>Balance June 30, 2020</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Investments				
Mutual funds	\$ 59,095	\$ 59,095	\$ -	\$ -
Exchange traded funds	211,646	211,646	-	-
Certificates of deposit	<u>74,407</u>	<u>-</u>	<u>74,407</u>	<u>-</u>
	<u>\$345,148</u>	<u>\$270,741</u>	<u>\$74,407</u>	<u>\$ -</u>

(6) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects CEF's financial assets as of the statement of financial position date. All amounts are available within one year of the statement of financial position date.

	<u>2021</u>	<u>2020</u>
Cash	\$ 115,963	\$ 171,193
Investments	<u>453,195</u>	<u>345,148</u>
Total financial assets	569,158	516,341
Less amounts with donor restrictions	<u>(279,201)</u>	<u>(250,913)</u>
Financial assets available within one year	<u>\$ 289,957</u>	<u>\$ 265,428</u>

Liquidity Management

As part of CEF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

(7) SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 20, 2021, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in the financial statements.