

BEAVER COUNTY EDUCATIONAL TRUST

BEAVER, PENNSYLVANIA

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

DECEMBER 31, 2020

BEAVER COUNTY EDUCATIONAL TRUST

DECEMBER 31, 2020
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Beaver County Educational Trust
Beaver, Pa 15009

We have reviewed the accompanying statement of financial position of the Beaver County Educational Trust (a non-profit organization) which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquires of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the organization 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 the 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 fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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 a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Herrmann & Loll Inc.

Herrmann and Loll Inc. CPA
Certified Public Accountants

Beaver, Pennsylvania
June 18, 2021

BEAVER COUNTY EDUCATIONAL TRUST
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 91,725
Investments	827,988
Accounts Receivable	-
Total Current Assets	<u>919,713</u>

Fixed Assets net of depreciation

-

Total Assets

919,713

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	-
Total Liabilities	<u>-</u>

Net Assets

Net Assets without Donor Restrictions	858,493
Net Assets with Donor Restrictions	61,220
Total Net Assets	<u>919,713</u>

Total Liabilities and Net Assets

\$ 919,713

See Accompanying Notes and Independent Accountant's Review Report

BEAVER COUNTY EDUCATIONAL TRUST
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES, GAINS AND OTHER SUPPORT</u>			
Donations	\$ 100,531	\$ 1,000	\$ 101,531
EITC Tax Credit Program	20,000		20,000
Fundraising	-		-
Realized Gains/Losses	18,487	-	18,487
Investments			-
Unrealized Gains/ (Losses)	22,299	-	22,299
Investments			-
Asset Released from Restriction	1,000	(1,000)	-
Dividends/Interest	23,427	-	23,427
Total Revenues, Gains and Other Support	185,745	-	185,745
<u>EXPENSES</u>			
Program Services			
Programs	104,556	-	104,556
Supporting Services:			
Management and General	44,704	-	44,704
Total Expenses	149,261	-	149,261
Change in Net Assets	36,484	-	36,484
Net Assets at Beginning of Year	822,009	61,220	883,229
Net Assets at End of Year	\$ 858,493	\$ 61,220	\$ 919,713

See Accompanying Notes and Independent Accountant's Review Report

BEAVER COUNTY EDUCATIONAL TRUST
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Management & General	Total Program & Supporting Services Expenses
Wages	\$ -	\$ 32,500	\$ 32,500
Program Expenses	104,556	-	104,556
Meeting	-	-	-
Office Supplies & Postage	-	1,227	1,227
Marketing	-	712	712
Professional Fees	-	2,543	2,543
Supplies	-	1,233	1,233
Fundraising Expenses	-	12	12
Investment Fees	-	6,477	6,477
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Total Functional Expenses	\$ 104,556	\$ 44,704	\$ 149,261
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See Accompanying Notes and Independent Accountant's Review Report

BEAVER COUNTY EDUCATIONAL TRUST
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	36,484
Adjustments to Reconcile Change in Net Assets		
Net Cash Provided by Operating Activities:		
Depreciation		-
Net Realized (Gains)/Losses on Investments		(18,487)
Net Unrealized (Gains)/Losses on Investments		(22,299)
Decrease in Accounts Receivable		-
(Decrease) in Accounts Payable		-
Trustee Fee on Investments		6,477
Investment Income		(23,427)
(Increase)/Decrease to Accounts Receivable		-
Increase/(Decrease) to Accounts Payable		-
		-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		(21,252)

CASH FLOWS FROM INVESTING ACTIVITIES:

(Increase)/Decrease to Investments		-
(Increase)/Decrease to Property and Equipment		-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		-

CASH FLOWS FROM FINANCING ACTIVITIES:

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES:		20,000
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NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,252)
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		92,977
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$	91,725
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See Accompanying Notes and Independent Accountant's Review Report

BEAVER COUNTY EDUCATIONAL TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

Beaver County Educational Trust was organized to enhance the quality of education for all school students in Beaver County, grades K through 12. Beaver County Educational Trust will fund mini-grants to schools for specialized educational projects and funds for the support of specialized educational activities or programs. The trust is primarily supported by corporate donations.

Basis of Accounting

Beaver County Educational Trust accounts have been prepared on the accrual basis of accounting.

Income Tax

Beaver County Educational Trust is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Net Asset Classification

Net Assets without donor restrictions are neither permanently nor temporarily restricted by donor or grantor imposed restrictions.

Net Assets with donor restrictions are from contributions, grants and other inflows of assets whose use by the Beaver County Educational Trust is limited by donor or grantor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Beaver County Educational Trust pursuant to the stipulations.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

BEAVER COUNTY EDUCATIONAL TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all highly liquid investments with original maturity of three months or less. As of December 31, 2020, the Education Trusts' \$ 91,725 bank balance was not exposed to custodial credit risk. Custodial risk is the risk that in the event of bank failure , the Education Trust's deposits may not be returned to it. As of December 31, 2020, the Education Trust's deposits had a carrying balance of \$ 97,163.

NOTE 3 -PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following at December 31, 2020:

	Cost	Accumulated Depreciation	Total
Equipment	\$ 1,017	\$ (1,017)	\$ 0
Total	\$ 1,017	\$ (1,017)	\$ 0

The Depreciation expense for 2020 is \$0.

BEAVER COUNTY EDUCATIONAL TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 - FAIR VALUE MEASUREMENTS

The Education Trust reports investments at fair value. Market price observability is impacted by a number of factors, including the type of investment, the characteristics specific to the investment, and the state of the marketplace (including the existence and transparency of transactions between market participants). Investments with readily-available actively quoted prices or for which fair value can be measured from actively-quoted prices in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level I - Quoted priced are available in active markets for identical investments as of the reporting date. The type of investments which would generally be included in Level I include listed equity securities. The Trust, to the extent that it holds such investments, does not adjust the quoted price for these investment, even in situations where the Trust holds a large position and a sale could reasonably impact the quoted price.

Level II - Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Fair value is determined through the use of models or other valuations methodologies. The types of investments which would generally be included in this category include publicly-traded securities with restrictions on disposition, debt securities and partnerships that hold Level I assets and real estate held for investment if measured by a current appraisal.

Level III - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation by the Trust. The types of investments which would generally be included in this category include debt and equity securities issued by private entities, and real estate held for investment if measured using management estimates.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Trust's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Trust's investments as of December 31, 2020 are \$ 827,988 and are considered to be Level I investments.

BEAVER COUNTY EDUCATIONAL TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Trust's financial assets available within one year of the balance sheet date general expenditure are as follows:

	<u>2020</u>
Cash	\$ 91,725
Investments	<u>827,988</u>
Total Financial Assets	919,713
Contractual or donor-imposed restrictions:	
Donor restrictions	<u>56,250</u>
Financial assets available to meet cash need for general expenditures within one year	\$ <u><u>863,463</u></u>

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the Independent Reviewers' Report, which is the date the financial statements were available to be issued.

The company's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Trust's financial position, operation, and cash flows.