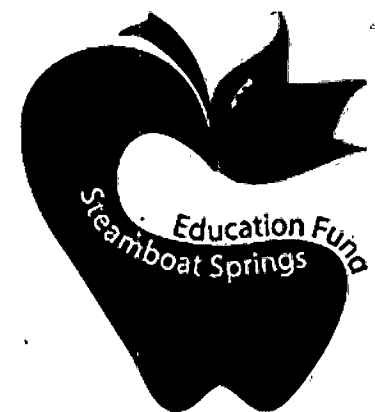





ViewPoints

Presentation on Results of the Annual Audit Steamboat Springs Education Fund

June 30, 2013



RubinBrown[®]
Raise Your Expectations

www.rubinbrown.com



Table Of Contents

Steamboat Springs Education Fund

	Page
Introduction	1
Independent Auditors' Report On Additional Information	2
Observations	3
Analyzing Your Organization's Governance Structure	4 - 7
What's In the Works At FASB	8
Auditor Communications	9 - 12
Attachments:	
Audit Difference Evaluation Form	
Management Representation Letter	



Introduction

Steamboat Springs Education Fund

To the Board of Directors
Steamboat Springs Education Fund
Steamboat Springs, Colorado

We are pleased to have the opportunity to present to you the results of our audit engagement of the Steamboat Springs Education Fund (the Education Fund) for the year ended June 30, 2013. The accompanying report presents information regarding the scope of our audit and other matters, which summarizes the results of our audit engagement.

We have audited the basic financial statements of the Education Fund. Our audit was performed in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and presented in accordance with accounting principles generally accepted in the United States of America. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used by the Education Fund and the significant estimates made by the Education Fund's management, as well as evaluated the overall financial statement presentation.

This communication is intended solely for the information and use of management, the Board of Directors and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.



Independent Auditors' Report On Additional Information

Steamboat Springs Education Fund

To the Board of Directors
Steamboat Springs Education Fund
Steamboat Springs, Colorado

Our report on our audit of the financial statements of the Steamboat Springs Education Fund (the Education Fund) as of June 30, 2013 appears in the financial statements of the Education Fund. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The additional information presented in this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion on it.

RubinBrown LLP

December 2, 2013

Steamboat Springs Education Fund

This section of the report highlights positive observations regarding your financial operations and reporting practices:

Bank Reconciliations

We noted bank reconciliations and bank account statements are reviewed by the Board President, Vice President, and/or Treasurer on a monthly basis. Adding a secondary review improves the Education Fund's internal controls over cash and promotes good financial transparency. We acknowledge this as a positive improvement from the prior year.

Monthly Financial Statements

Monthly financial statements are generated from the accounting system and are reviewed in detail by the Education Fund's Board. The statements themselves promote financial transparency to the community, and the detailed review and approval performed by the Board demonstrates a strong internal control environment.

2013 Financial Results

- ◆◆ Fiscal year 2013 ended with a 5% increase in revenues and 1% increase in expenses compared to 2012, for an overall decrease in net assets of \$71,005.
- ◆◆ Ending net assets of \$712,606 equates to 29% of annual expenses, which approximates a 3-month operating reserve.
- ◆◆ Cash and cash equivalents at June 30, 2013 is lower than cash and cash equivalents at June 30, 2012 by about 12%, which is representative of the decrease in net assets for the year.



Analyzing Your Organization's Governance Structure

Steamboat Springs Education Fund

The following pages contain a recommended checklist for the use of the Education Fund. This information was presented in our Annual Nonprofit Seminar, and we had several requests for the information. The checklist is not a requirement, rather a resource for the Education Fund to consider.



Analyzing Your Organization's Governance Structure *(Continued)*

Steamboat Springs Education Fund

AREA	COMMENTS
Transparency	
1. IRS Forms 990 and 1023 available to the public	
2. Bylaws and governing documents available to the public	
3. Board minutes and agendas published on website	
4. Financial statements published on website	
5. Annual report published on website	
6. Documentation of Board and committee meeting minutes analyzed for appropriate amount of detail	
Conflicts Of Interest	
1. Policy is in place	
2. Statements are obtained from <u>all</u> Board and Committee Members annually	
3. Statements are obtained from <u>all</u> key Employees annually	
4. Enforcement of policy is monitored vigorously	
5. Adherence to policy is a responsibility of a Committee of the Board	
6. Recurring education of staff and board members on conflicts of interest	
7. Policy is reviewed periodically for adequacy, effectiveness, robustness, etc.	
8. Policy prohibits conflict of interest transactions unless Board approves prior to the transaction	

NOTE: This is a tool to be utilized by not-for-profit organizations to assess their governance structure. Items listed above are a compilation of industry best practices but do not constitute a comprehensive listing of all items an organization should consider. Further, all items may not be appropriate for all organizations.



Analyzing Your Organization's Governance Structure *(Continued)*

Steamboat Springs Education Fund

AREA	COMMENTS
Related-Party Transactions	
1. Analysis and determination of related parties completed annually	
2. Analysis and documentation of related party transactions completed annually	
3. Policies in place for related party transactions to be conducted at "arms length"	
4. Significant transactions are disclosed in the financial statements	
Compensation Policies	
1. Committee of Board is involved in setting compensation (including all forms of compensation) for key employees	
2. Compensation policies include all forms of compensation (benefits, vacation, etc.)	
3. Documentation of diligence performed to set/adjust compensation is maintained	
4. Organizational procurement practices are followed when employee searches are conducted by the Board vs. management	
5. Entire benefit package for all employees is reviewed on an annual basis	

NOTE: This is a tool to be utilized by not-for-profit organizations to assess their governance structure. Items listed above are a compilation of industry best practices but do not constitute a comprehensive listing of all items an organization should consider. Further, all items may not be appropriate for all organizations.



Analyzing Your Organization's Governance Structure *(Continued)*

Steamboat Springs Education Fund

AREA	COMMENTS
General Board Oversight	
1. Board approves the annual operating and capital budgets	
2. Investments and transactions (capital and operating) over a certain threshold require Board review and approval	
3. Key employee/executive expense reports reviewed by a Board Member	
4. Organization has an established Audit Committee with a formal Charter	
5. Internal Audit function that periodically reports to the Board or Audit Committee	
6. Finance/Audit Committee has a designated financial expert	
7. Budget vs. actual statements are reviewed on a monthly or quarterly basis	
8. Statement of activities is reviewed on a monthly or quarterly basis	
9. Statement of financial position (including net assets, by category) is reviewed on a monthly or quarterly basis	

NOTE: This is a tool to be utilized by not-for-profit organizations to assess their governance structure. Items listed above are a compilation of industry best practices but do not constitute a comprehensive listing of all items an organization should consider. Further, all items may not be appropriate for all organizations.

Steamboat Springs Education Fund

- ◆◆ The Financial Accounting Standards Board's (FASB) objective is to provide more robust principals-based revenue recognition methods that are consistent across different industries, entities and geographical locations. Under the new guidance, the five steps for revenue recognition are:
 1. Identify the contract with the customer.
 2. Identify the individual performance obligations.
 3. Determine the transaction price.
 4. Allocate the price to the separate performance obligations.
 5. Recognize revenue as each performance obligation is met.

Because of the magnitude of these changes, FASB indicated at their February 20, 2013 meeting that implementation would be no earlier than 2017 with early adoption prohibited.

- ◆◆ Accounting for leases continues to be a hot topic. Under the proposed guidance, lessees would record an asset for the "right to use" the leased item and a corresponding liability for the lease obligation equal to the present value of future lease payments. The new guidance would apply to most leases, including those currently recorded as operating leases. The proposed effective date is expected to be no earlier than 2015.
- ◆◆ FASB is currently re-examining financial statement presentation for nonprofit entities. The objective of which is to improve net asset classification requirements and the reporting of information about liquidity, financial performance and cash flow. This is an ongoing project with an exposure draft slated to come out this year.



Auditor Communications

Steamboat Springs Education Fund

Auditing standards require the auditor to ensure that those charged with governance receive additional information regarding the scope and results of the audit that may assist the governing body in overseeing the financial reporting and disclosure process for which management is responsible. The following section describes matters which are required to be reported to you.

AREA	COMMENTS
<p>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards</p> <p>Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by the Board with your assistance are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you of responsibility for the accuracy of the financial statements.</p>	<p>Reports issued by RubinBrown:</p> <ul style="list-style-type: none">◆◆ An unmodified opinion on the financial statements of the Education Fund for the year ended June 30, 2013.◆◆ ViewPoints, including positive changes made in the past year and required communications.



Auditor Communications (Continued)

Steamboat Springs Education Fund

AREA	COMMENTS
Planned Scope And Timing Of The Audit	We performed the audit as discussed via letter dated October 3, 2013, regarding the nature, timing and extent of our audit procedures.
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.	<ul style="list-style-type: none">◆ Significant accounting policies are described in Note 1 to the financial statements.◆ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus.◆ No significant transactions have been recognized in a different period than when the transactions occurred.
Management Judgments And Accounting Estimates The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.	<ul style="list-style-type: none">◆ There were no sensitive estimates affecting financial statements during 2013.



Auditor Communications (Continued)

Steamboat Springs Education Fund

AREA	COMMENTS
Financial Statement Disclosures	The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures are: ◆◆ Note 2 - Cash and Cash Equivalents. ◆◆ Note 3 - Grant Awards. ◆◆ Note 4 - Commitments.
Difficulties Encountered In Performing The Audit	We encountered no significant difficulties in dealing with management in performing and completing our audit.



Auditor Communications (Continued)

Steamboat Springs Education Fund

AREA	COMMENTS
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, communicate them to the appropriate level of management and request their correction. There were no audit adjustments for the year ended June 30, 2013. The Audit Difference Evaluation Form is attached.
Disagreements With Management	None.
Management Representations	We have received the management representation letter dated December 2, 2013. A copy of that letter is attached.
Management Consultations With Other Independent Accountants	None.
Other Audit Findings Or Issues	There were no matters of significant discussion that affected our retention as the Education Fund's auditors.

NPO-CX-12.2: AUDIT DIFFERENCE EVALUATION FORM

Entity:

Statement of Financial Position Date:

Instructions: This form may be used to accumulate audit differences (AD) greater than the amount considered clearly trivial (documented at **Step 5** of NPO-CX-2.1). This form should not include normal closing entries. At the end of the audit, evaluate all uncorrected audit differences, individually and in the aggregate, in relation to individual amounts, subtotals, or totals in the financial statements and conclude on whether they materially misstate the financial statements taken as a whole. Before evaluating the effect of uncorrected misstatements, reassess whether materiality is still appropriate based on the entity's actual financial results. The notes following the table provide explanations and a listing of qualitative considerations in evaluating materiality. The form allows for quantifying the effect of misstatements using both the rollover and iron curtain methods, as appropriate. You need to be familiar with the guidance in section 1112 before completing this form.

Description (Nature) of Audit Difference (AD)	Factual (F), Judgmental (J), or Projected (P)	Cause	Workpaper Reference	Financial Statement Effect—Amount of Over (Under) Statement of:						
				Total Assets	Total Liabilities	Net Assets	Revenues	Expenses	Change in Net Assets	Working Capital
Reversal of prior year passed adjustment for revenue	Factual	Recorded on a cash basis	1504.1	-\$2,737			-\$2,737		-\$2,737	
									\$0	
									\$0	
									\$0	
									\$0	
									\$0	
									\$0	
									\$0	
Total				-\$2,737	\$0	\$0	-\$2,737	\$0	-\$2,737	\$0
Less Audit Adjustments Subsequently Booked									\$0	
Unadjusted AD—Current Year (Iron Curtain Method)				-\$2,737	\$0	\$0	-\$2,737	\$0	-\$2,737	\$0
Effect of Unadjusted AD—Prior Years									\$0	
Combined Current and Prior Year AD (Rollover Method)				-\$2,737	\$0	\$0	-\$2,737	\$0	-\$2,737	\$0
Financial Statement Caption Totals				\$1,650,299	\$937,693	\$712,606	\$2,424,228	\$2,495,233	-\$71,005	
Current Year AD as % of FS Captions (Iron Curtain Method)				-0.17%	0.00%	0.00%	-0.11%	0.00%	3.85%	0.00%
Current and Prior Year AD as % of FS Captions (Rollover Method)				-0.17%	0.00%	0.00%	-0.11%	0.00%	3.85%	0.00%

Qualitative Factors: Describe qualitative factors that entered into your evaluation of whether uncorrected accumulated misstatements are material, individually or in the aggregate, in relation to specific accounts and disclosures and to the financial statements as a whole, and the reasons why.



December 2, 2013

RubinBrown LLP
1900 16th Street
Suite 300
Denver, CO 80202

We are providing this letter in connection with your audit of the statement of financial position of Steamboat Springs Education Fund as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in net assets, and cash flows of Steamboat Springs Education Fund in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with U.S. generally accepted accounting principles.

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief the following representations made to you during your audit.

Financial Statements

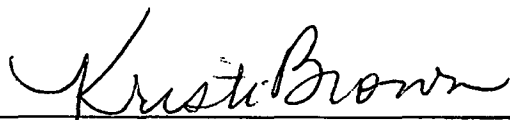
1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions including related accounts receivable or payable, sales, purchases, loans, transfers, leasing arrangements, and guarantees have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. Material concentrations have been properly disclosed in accordance with U.S. GAAP.

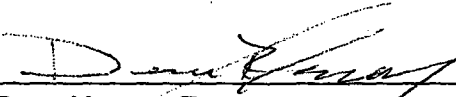
Information Provided

10. There are no designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements.
11. Investments for which quoted market prices are not available are carried at estimated realizable value as determined by the investment managers or fund managers, and reviewed by management. The valuation methods used for such investments are consistent with prior years and appropriate, and the related disclosures of estimated fair values are complete and considered adequate.
12. Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
13. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the organization from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of Board of Directors and committees of directors.
14. All transactions have been recorded in the accounting records and are reflected in the financial statements.
15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.


16. We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the organization's financial statements communicated by employees, former employees, analysts, regulators or others.
18. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
19. The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any assets been pledged as collateral.
20. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
21. We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
22. We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware.
23. The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor have any assets been pledged as collateral.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25. The Organization is an exempt organization under Section 501c3 of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
26. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.



Kristi Brown, President



Dean Massey, Treasurer



Linda Thomas, CPA, Contract Accountant



Denver Office
1900 16th Street
Suite 300
Denver, Colorado 80202
ph: 303.698.1883
fax: 303.777.4458

Kansas City Office
10975 Grandview Dr.
Building 27 Suite 600
Overland Park, Kansas 66210
ph: 913.491.4144
fax: 913.491.6821

Saint Louis Office
One North Brentwood Blvd.
Suite 1100
Saint Louis, Missouri 63105
ph: 314.290.3300
fax: 314.290.3400

For more information, visit www.rubinbrown.com