



The Abilene Education Foundation

**P.O. Box 1999
Abilene, TX 79604**

**FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT**

July 31, 2019 and July 31, 2018

**Prepared by
McElroy and Company PC**



Independent Auditor's Report

January 15, 2020

To the Board of Trustees of The Abilene Education Foundation Abilene, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of The Abilene Education Foundation (a nonprofit organization), which comprise the statements of financial position as of July 31, 2019 and July 31, 2018, and the related statements of activities, functional expenses and cash flows (direct method) for the years then ended, and the related notes to the financial statements, and the accompanying supplementary information, statement of cash flow (indirect method) for the years then ended.

Management's Responsibility for the Financial Statements

Management's responsibility is to prepare and fairly present 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 preparation and fair presentation of the 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 the financial statements based on our audit. We conducted our audit 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 of 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Abilene Education Foundation as of July 31, 2019 and July 31, 2018, and the changes in its net assets, functional expenses and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Cash Flows (indirect method) as of July 31, 2019 and July 31, 2018. 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.

A handwritten signature in blue ink, appearing to read "Michael McElroy CPA".

McElroy & Company PC
Addison, Texas



ABILENE EDUCATION FOUNDATION

STATEMENTS OF FINANCIAL POSITION

As of July 31, 2019 and 2018

Assets		2019	2018
Current Assets			
Cash and Cash Equivalents	\$	606,786	\$ 600,907
Contributions Receivable - Restricted to Next U		9,380	-
Contributions Receivable - Restricted to COOL Program		-	247,000
CFA Endowment Earnings Receivable		-	5,438
Employee Benefits		477	-
Total Current Assets		616,643	853,345
Property and Equipment, Net		-	-
Other Assets			
Deposits		10	10
Interest in Assets Held by Community Foundation of Abilene		603,954	599,477
Total Other Assets		603,964	599,487
Total Assets		\$ 1,220,607	\$ 1,452,832
 Liabilities and Net Assets 			
Current Liabilities			
Accrued Liabilities	\$	11,000	\$ 11,000
Accrued Liabilities - Next U		12,493	-
Payroll Liabilities		2,092	2,085
Total Current Liabilities		25,585	13,085
Net Assets			
Without Donor Restrictions		124,986	118,623
With Donor Restrictions		1,070,036	1,321,124
Total Net Assets		1,195,022	1,439,747
Total Liabilities and Net Assets		\$ 1,220,607	\$ 1,452,832



ABILENE EDUCATION FOUNDATION, INC

STATEMENTS OF ACTIVITIES

For the Year Ended July 31, 2019 and 2018

	2019				2018			
	Without Donor Restrictions	With Donor Restrictions		Total	Without Donor Restrictions	With Donor Restrictions		Total
	Undesignated	By Time or Purpose			Undesignated	By Time or Purpose		
		In Perpetuity				In Perpetuity		
Contributions, Gains, and Other Support								
Contributions by Program and Endowment								
Abilene COOL Program	\$ -	\$ 84,657	\$ -	\$ 84,657	\$ -	\$ 29,680	\$ -	\$ 29,680
AEF Choice		15,039		15,039		17,781		17,781
AEF General Contributions	142,595			142,595	141,865			141,865
AEF Scholarship Programs		46,038		46,038		38,655		38,655
AHS Support Fund (Pass-Thru)		1,119		1,119		-		-
AISD Chess Program			10,000	10,000				-
Alumni Scholarship Endowments Fund			3,465	3,465			2,293	2,293
Hygiene Supply Program (Pass-Thru)		1,000		1,000		16,193		16,193
Literacy Software (Pass-Thru)		-		-		990		990
Others (Pass-Thru)		1,000		1,000				-
Martha Kiel Scholarship			100	100			1,700	1,700
Royce Curtis Educator Scholarship Endowments Fund			1,480	1,480			995	995
Teacher Grant Programs		58,481		58,481		74,258		74,258
Teachers in the Limelight		11,850		11,850		16,935		16,935
In-kind Contribution	38,041	2,963		41,004	25,960	4,359		30,319
Investment Income	21,179	11,021		32,200	26,397	13,921		40,318
Realized / Unrealized Gain / (Loss) on Investments	291	2,302		2,593	3,817	34,469		38,286
Net Assets Released from Restrictions				-				-
Satisfaction of Restrictions - Abilene COOL Program	326,481	(326,481)		-				-
Satisfaction of Restrictions - AEF Choice	12,482	(12,482)		-				-
Satisfaction of Restrictions - AEF Scholarship Programs	49,091	(49,091)		-				-
Satisfaction of Restrictions - Endowment Scholarships	5,467	(5,467)		-				-
Satisfaction of Restrictions - Pass-Thru Programs	9,851	(9,851)		-				-
Satisfaction of Restrictions - Teacher Grant Program	67,865	(67,865)		-				-
Satisfaction of Restrictions - Teachers in the Limelight	30,366	(30,366)		-				-
Satisfaction of Restrictions	-	-		-	445,217	(445,217)		-
Total Revenues, Gains, and Other Support	703,709	(266,133)	15,045	452,621	643,256	(197,976)	4,988	450,268
Expenses								
Grants and Scholarships Programs	149,290			149,290	135,443			135,443
Other Programs	354,281			354,281	305,042			305,042
Fundraising	73,771			73,771	66,517			66,517
Administrative	120,004			120,004	113,222			113,222
Total Expenses	697,346	-	-	697,346	620,224	-	-	620,224
Changes in Net Assets	6,363	(266,133)	15,045	(244,725)	23,032	(197,976)	4,988	(169,956)
Net Assets, Beginning of Year	118,623	850,329	470,795	1,439,747	95,591	1,048,305	465,807	1,609,703
Net Assets, End of Year	\$ 124,986	\$ 584,196	\$ 485,840	\$ 1,195,022	\$ 118,623	\$ 850,329	\$ 470,795	\$ 1,439,747

The Accompanying Notes are an Integral Part of the Financial Statements



ABILENE EDUCATION FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended July 31, 2019

	Program Services						Supporting Services			Combined Total	
	Abilene COOL Program	AEF Scholarship Program	Teacher in the Limelight	Teacher Grant Program	Pass-Thru Programs	Various Educational Grants	Total Program Services	Administrative	Fund Raising		Total Supporting Services
Salaries and Wages	\$ 47,294	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,294	\$ 54,730	\$ 6,756	\$ 61,486	\$ 108,780
Employee Taxes	3,618						3,618	4,187	517	4,704	8,322
Employee Benefits	-						-	879		879	879
Total Salaries and Payroll Related Expenses	<u>50,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,912</u>	<u>59,796</u>	<u>7,273</u>	<u>67,069</u>	<u>117,981</u>
Advertising	1,979						1,979	-	7,258	7,258	9,237
Bank Fees and Credit Card Charges							-	97	1,127	1,224	1,224
Board & Committee Expenses							-	1,056		1,056	1,056
Conference & Seminars	1,464						1,464	735		735	2,199
Contract Labor		550	325	-			875	-	125	125	1,000
Dues, Memberships and Subscriptions	1,235						1,235	275		275	1,510
Event Supplies and Expenses	5,596	6,122	9,576	5,054			26,348		21,030	21,030	47,378
Grants			17,900	62,811		12,482	93,193			-	93,193
Honorariums	27						27	850		850	877
Insurance							-	1,799	1,129	2,928	2,928
Miscellaneous							-	142		142	142
Next University (to be reimb.)	45,063						45,063	-		-	45,063
Postage / Direct Mail	205						205	615	354	969	1,174
Professional and Legal Fees							-	46,471		46,471	46,471
Repairs and Maintenance							-	402	3,000	3,402	3,402
Scholarship		51,350					51,350			-	51,350
Staffs and Staffs Benefits	209,555						209,555	-		-	209,555
Supplies	946				9,851		10,797	2,161		2,161	12,958
Telephone and Utilities	3,100						3,100			-	3,100
Travel	4,505						4,505	39		39	4,544
Sub-Total	<u>324,587</u>	<u>58,022</u>	<u>27,801</u>	<u>67,865</u>	<u>9,851</u>	<u>12,482</u>	<u>500,608</u>	<u>114,438</u>	<u>41,296</u>	<u>155,734</u>	<u>656,342</u>
In-Kind Events		1,070	-				1,070		32,475	32,475	33,545
In-Kind Rent	1,893						1,893	5,566		5,566	7,459
Total Expenses	<u>\$ 326,480</u>	<u>\$ 59,092</u>	<u>\$ 27,801</u>	<u>\$ 67,865</u>	<u>\$ 9,851</u>	<u>\$ 12,482</u>	<u>\$ 503,571</u>	<u>\$ 120,004</u>	<u>\$ 73,771</u>	<u>\$ 193,775</u>	<u>\$ 697,346</u>

The Accompanying Notes are an Integral Part of the Financial Statements.



ABILENE EDUCATION FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended July 31, 2018

	Program Services						Supporting Services				Combined Total
	Abilene COOL Program	AEF Scholarship Program	Teacher in the Limelight	Teacher Grant Program	Pass-Thru Programs	Various Educational Grants	Total Program Services	Administrative	Fund Raising	Total Supporting Services	
Salaries and Wages	\$ 48,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,273	\$ 54,027	\$ 6,593	\$ 60,620	\$ 108,893
Employee Taxes	3,693	-	-	-	-	-	3,693	4,133	504	4,637	8,330
Total Salaries and Payroll Related Expenses	51,966	-	-	-	-	-	51,966	58,160	7,097	65,257	117,223
Advertising	1,802	-	-	-	-	-	1,802	-	5,717	5,717	7,519
Bank Fees and Credit Card Charges	-	-	-	-	-	-	-	-	874	874	874
Conference & Seminars	1,607	-	-	-	-	-	1,607	150	-	150	1,757
Contract Labor	-	-	330	200	-	-	530	400	50	450	980
Depreciation	-	-	-	-	-	-	-	77	-	77	77
Dues, Memberships and Subscriptions	1,405	-	-	-	-	-	1,405	298	-	298	1,703
Events	739	7,311	9,933	2,581	-	-	20,564	-	29,615	29,615	50,179
Grants	-	-	16,100	69,022	-	5,976	91,098	-	-	-	91,098
Honorariums	-	-	-	-	-	-	-	528	-	528	528
Insurance	-	-	-	-	-	-	-	1,815	1,339	3,154	3,154
Miscellaneous	-	-	-	-	-	-	-	154	-	154	154
Postage / Direct Mail	368	-	-	-	-	-	368	592	358	950	1,318
Professional and Legal Fees	-	-	-	-	-	-	-	44,566	-	44,566	44,566
Repairs and Maintenance	-	-	-	-	-	-	-	617	1,072	1,689	1,689
Scholarship	-	31,650	-	-	-	-	31,650	-	-	-	31,650
Staffs and Staffs Benefits	210,363	-	-	-	-	-	210,363	-	-	-	210,363
Supplies	626	-	-	-	16,237	-	16,863	268	-	268	17,131
Telephone and Utilities	3,100	-	-	-	-	-	3,100	-	-	-	3,100
Technology Expense	21	-	-	-	-	-	21	-	-	-	21
Travel	4,789	-	-	-	-	-	4,789	31	-	31	4,820
Sub-Total	276,786	38,961	26,363	71,803	16,237	5,976	436,126	107,656	46,122	153,778	589,904
In-Kind Events	-	2,466	-	-	-	-	2,466	-	20,395	20,395	22,861
In-Kind Rent	1,893	-	-	-	-	-	1,893	5,566	-	5,566	7,459
In-Kind Supplies	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 278,679	\$ 41,427	\$ 26,363	\$ 71,803	\$ 16,237	\$ 5,976	\$ 440,485	\$ 113,222	\$ 66,517	\$ 179,739	\$ 620,224

The Accompanying Notes are an Integral Part of the Financial Statements.



ABILENE EDUCATION FOUNDATION

STATEMENTS OF CASH FLOWS - Direct Method

For the Year Ended July 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
<u>Without Donor Restrictions - Undesignated</u>		
Contributions, Gains, and Other Support		
General Contributions	\$ 142,595	\$ 141,865
Investment Fees	4,365	4,344
Investment Income	25,492	24,661
Other Income	-	-
Net Assets Released from Restrictions		
Satisfaction of Restrictions		
Total Revenues, Gains, and Other Support	172,452	170,870
Expenses		
Supporting Services:		
Administrative	114,908	99,364
Fundraising	41,296	46,122
Total Expenses	156,204	145,486
Net Changes - Undesignated	16,248	25,384
<u>With Donor Restrictions - By Time or Purpose</u>		
Contributions, Gains, and Other Support		
Contributions by Program		
Abilene COOL Program	322,277	276,680
AEF Choice	15,039	17,781
AEF Scholarship Programs	46,038	38,655
AHS Support Fund (Pass-Thru)	1,119	-
Basketball Shooters (Pass-Thru)	-	-
Hygiene Supply Program (Pass-Thru)	1,000	16,193
Jefferson Center Program	-	-
Literacy Software (Pass-Thru)	-	990
Others (Pass-Thru)	1,000	-
Teacher Grant Programs	58,481	74,258
Teachers in the Limelight	11,850	16,935
Other Income		
Net Assets Released from Restrictions		
Satisfaction of Restrictions		
Total Revenues, Gains, and Other Support	456,804	441,492
Expenses		
Program Services:		
Abilene COOL Program	312,094	276,786
AEF Scholarship Programs	58,022	38,961
Pass-Thru Programs	9,851	16,237
Teacher Grant Programs	67,865	71,803
Teachers in the Limelight	27,801	26,363
Various Educational Grants	12,482	5,976
Total Expenses	488,115	436,126
Net Changes - By Time or Purpose	(31,311)	5,366



ABILENE EDUCATION FOUNDATION

STATEMENTS OF CASH FLOWS - Direct Method

For the Year Ended July 31, 2019 and 2018

	2019	2018
<u>With Donor Restrictions - In Perpetuity</u>		
Contributions, Gains, and Other Support		
Contributions by Endowments		
AEF Endowment	\$ -	\$ -
AISD Chess Program	10,000	
Alumni Scholarship Endowments Fund	3,465	2,293
Jennings Teach'g Excellence Endowments Fund		
Martha Kiel Scholarship	100	1,700
Royce Curtis Educator Scholarship Endowments Fund	1,480	995
Transportation Scholarship Endowment Fund	-	-
Other Income		
Total Revenues, Gains, and Other Support	15,045	4,988
Net Cash Provided (Used) by Operating Activities	(18)	35,738
Cash Flows from Investing Activities		
<u>Without Donor Restrictions - Undesignated</u>		
Endowment Grant	2,096	1,820
<u>With Donor Restrictions - By Time or Purpose</u>		
Endowment Grant	19,427	17,543
<u>With Donor Restrictions - In Perpetuity</u>		
Funds Transferred to Investment Account	(15,626)	(3,270)
Net Cash Provided (Used) by Investing Activities	5,897	16,093
Cash Flows from Financing Activities		
Contributions Restricted for Long Term Investment		
Payment on Note Payable	-	-
Proceeds from Notes Payable	-	-
Net Cash Provided (Used) by Financing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	5,879	51,831
Cash and Cash Equivalents at Beginning of Year	600,907	549,076
Cash and Cash Equivalents at End of Year	\$ 606,786	\$ 600,907
Supplemental Disclosures		
Interests Paid	-	-

Abilene Education Foundation

Supplemental Information



ABILENE EDUCATION FOUNDATION
STATEMENTS OF CASH FLOWS - Indirect Method
For the Year Ended July 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Change in Net Assets	\$ (244,725)	\$ (169,956)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	-	77
Unrealized Loss (Gain) on Investments	(2,593)	(38,286)
Endowment Earnings	(12,146)	(15,498)
Investment Fees	4,365	4,344
Contributions Restricted from Long Term Investment		
(Increase) Decrease in Operating Assets		
Contributions Receivable	(9,380)	
Contributions Receivable - Restricted to COOL Program	247,000	247,000
CFA Endowment Earnings Receivable	5,438	(159)
Employee Benefits	(477)	
Prepaid Expenses	-	7,415
Increase (Decrease) in Operating Liabilities		
Account Payable	-	-
Accrued Liabilities	-	775
Accrued Liabilities - Next U	12,493	-
Scholarship Payable	-	-
Payroll Liabilities	7	26
Net Cash Provided (Used) by Operating Activities	(18)	35,738
Cash Flows from Investing Activities		
<u>Without Donor Restrictions - Undesignated</u>		
Endowment Grant	2,096	1,820
<u>With Donor Restrictions - By Time or Purpose</u>		
Endowment Grant	19,427	17,543
<u>With Donor Restrictions - In Perpetuity</u>		
Funds Transferred to Investment Account	(15,626)	(3,270)
Net Cash Provided (Used) by Investing Activities	5,897	16,093
Net Increase (Decrease) in Cash and Cash Equivalents	5,879	51,831
Cash and Cash Equivalents at Beginning of Year	600,907	549,076
Cash and Cash Equivalents at End of Year	\$ 606,786	\$ 600,907
Supplemental Disclosures		
Interests Paid	-	-

The Abilene Education Foundation

Notes to the Financial Statements



Abilene Education Foundation Notes to the Financial Statements

NOTE 1: STATEMENT OF ORGANIZATION AND PURPOSE

The Abilene Education Foundation (the "AEF") was incorporated on October 10th, 2000, under the laws of the State of Texas as a non-profit corporation. The purpose of the AEF is to receive gifts, bequests, and donations from both the general public and other nonprofit entities, and to use those donations to maintain a fund or funds of real, personal, or other property, to use and apply in whole or in part the net income and principle exclusively for the support of the Abilene Independent School District, to enrich its academic curriculum, fine arts, and co-curricular programs. Support of the Abilene Independent School District may also include the grant of college, technical, or vocational school scholarships to graduating seniors.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for Not For Profit Organizations. Under this basis of accounting, revenue is recognized when earned, and expenses are recognized when incurred. Policies and practices which materially affect the determination of financial position are summarized as follows:

Basis of Presentation

The AEF has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the AEF to classify the net assets of the AEF based on the existence or absence of donor-imposed restrictions. These classifications of net assets are described as follows:

Without Donor Restrictions

Undesignated - All resources over which the governing board has discretionary control.

With Donor Restrictions

By Time or Purpose - Resources that have donor-imposed restrictions that permits the AEF to expend the assets as specified and is satisfied either by the passage of time or by actions of the AEF.

In Perpetuity - Resources that include a donor-imposed restriction that stipulates that resources be maintained permanently but permits the AEF to use or expend part or all of the income (or other economic benefit) derived from the donated assets. The endowment principal may be decreased due to market valuations.

Revenues are reported as increases in without-donor-restriction - undesignated net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in without-donor-restriction - undesignated net assets. Changes in other assets or liabilities are reported as increases or decreases in without-donor-restriction - undesignated

Abilene Education Foundation Notes to the Financial Statements

net assets unless their use is restricted by explicit donor stipulation or by law. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, with-donor-restrictions – by time or purpose net assets are reclassified to without-donor-restriction - undesignated net assets and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

With respect to with-donor-restrictions – restricted by time or purpose net assets, the Foundation has adopted the following accounting policies:

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of with-donor-restrictions – by time or purpose net assets class, and a reclassification to without-donor-restriction - undesignated net assets is made to reflect the expiration of such restrictions.

The Foundation uses net assets with donor restrictions first for contributions received for which both net assets with donor restrictions and without donor restrictions are available.

Recent Accounting Standards Updates (“ASU”)

- ASU 2016-14
During 2019, the Foundation adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; recognition of underwater endowment funds as a reduction in net assets with donor restrictions; and reporting investment income net of external and direct internal investment expenses. The guidance also enhances disclosures for board designated amounts, compositions of net assets with donor restrictions and how the restrictions affect the use of resources, qualitative and quantitative information about the liquidity and availability of financial assets to meet general expenditures within one year of the balance sheet date, expenses by both their natural and functional classification, including methods used to allocate costs among program and support functions, and underwater endowments.
- ASU 2018-08
In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2018-08 Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard applies to all entities, including business entities, which receive or make

Abilene Education Foundation Notes to the Financial Statements

contributions of cash and other assets, including promises to give. This standard assist not-for-profit entities in determining whether to account for grants as revenue for providing goods or services or as a contribution. Under this standard, not-for-profit entities are more likely to classify funds from governmental grants as contributions than under prior US GAAP. This standard also clarifies whether a contribution is conditional or unconditional. For contributions received, the standard is applicable for annual periods beginning after June 15, 2018 for public companies (including certain not-for-profits entities) and annual periods beginning after December 15, 2018 for all other entities. For contributions made, the standard is applicable for annual periods beginning after December 15, 2018 for public companies (including certain not-for-profits entities) and annual periods beginning after December 15, 2019. No significant effect is expected for the financial statements of the Foundation.

- ASU 2018-13

In August of 2018, the FASB issued Accounting Standards Update 2018-03 Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. This standard modifies the disclosure requirement for fair value measurements. For nonpublic entities certain disclosure requirements for Level 3 fair value measurements will be modified or eliminated. The standard is effective for annual and interim periods beginning after December 15, 2019. Certain amendments in the standard should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments of the standard should be applied retrospectively to all periods presented upon their effective date. Early adoption is permitted. No significant effect is expected for the financial statements of the Foundation.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the American Institute of Certified Public Accountants did not or are not believed by management to have a material impact on the Foundation's present or future financial statements.

Cash and Cash Equivalents

Cash and cash equivalents are highly liquid instruments including certificate of deposits, with original maturities of three months or less, invested with regulated financial institutions.

Investments

Investments are carried at market value. Cash held in certain brokerage accounts is considered a short-term investment. Realized gains and losses on marketable equity securities are recorded and are added to or subtracted from the applicable category of net assets. Unrealized gains and losses are recorded annually on marketable equity securities. Unrealized and realized gains and losses are recorded in the accompanying statements of activities as realized and unrealized gains (losses) on investments.



Abilene Education Foundation Notes to the Financial Statements

Investment income is recorded and added to or subtracted from the applicable category of net assets and is reported as investment income in the accompanying financial statements.

Promises to Give

Contributions are recognized when the AEF is notified of the contribution. Contributions that have donor-imposed restrictions are reported as increases in with-donor-restrictions – by time or purpose or in perpetuity net assets. Other contributions are reported as increases in without-donor-restrictions - undesignated net assets. All are recorded at expected fair market value and are expected to be received within 12 months. AEF has not recorded a bad debt reserve or used present value techniques for promises to give due in more than one year due to immaterial amount.

The AEF has agreed with Development Corporation of Abilene, Inc to promote NEXT University program. As of July 31, 2019, the AEF has contributions receivable of \$9,380.

The AEF had received notices from Dian Graves Owen Foundation and Shelton Family Foundation for grants to expand and duplicate the COOL program and from other donors to support its operation. As of July 31, 2019 and July 31, 2018, the AEF has contributions receivable of \$0 and \$247,000 outstanding, respectively. AEF is working on new proposals with Dian Graves Owen Foundation and Shelton Family Foundation to support its programs.

Fixed Assets

Acquisitions of equipment have been recorded at historical cost. Donated items and other fixed assets are recorded at estimated fair market value of the donated property or equipment as of the date of the donation. Repairs and maintenance of equipment are recorded as expenses when incurred for fixed assets under a year; assets with a useful life of greater than one year are capitalized. Significant improvements to fixed assets are capitalized as additional cost and depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of assets. The estimated useful life of office equipment, office furniture and technology grant assets is five years. Depreciation expenses were \$0 and \$77 for the period ended July 31, 2019 and 2018.

Property and equipment consist of the following as of July 31, 2019 and 2018.

	<u>7/31/2019</u>	<u>7/31/2018</u>
Software	\$ 6,096	\$ 6,096
Equipment, Office Equipment, Technology Grant Assets	21,805	21,805
Office Furniture	6,910	6,910
	<u>34,811</u>	<u>34,811</u>
Less: Accumulated Depreciation	(34,811)	(34,811)
Net Property and Equipment	<u>\$ 0</u>	<u>\$ 0</u>

Abilene Education Foundation Notes to the Financial Statements

Federal Income Taxes

The AEF has been granted an exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code in an exemption letter dated February 21, 2001. The Internal Revenue Service has further determined that the AEF is a publicly supported organization under Section 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

For the year ended July 31, 2019 and 2018, the Organization did not conduct any unrelated business activities that would be subject to federal income taxes and had no uncertain tax positions. Therefore, no tax provision or liability has been reported in the accompanying financial statements. The Organization's Federal Return of Organization Exempt from Income Tax is subject to examination by the Internal Revenue Service for three years from the date of filing. As a result, the organization is no longer subject to income tax examinations by the tax authorities for years prior to 2015. Under current authoritative pronouncements, Accounting for Uncertainty in Income Taxes, it is necessary to evaluate the tax positions taken or expected to be taken in the course of preparing the Organization's financial statements to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax benefit or expense in the current year. Reconciliation is not provided herein, as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions or settlements. However, the conclusions regarding the uncertainty in income taxes will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations and interpretations thereof.

Contributions

The AEF has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities. ASU 2016-14 requires the AEF to record contributions received as without donor restrictions or with donor restrictions depending on the nature of any restrictions made by the donor. Contributions include gifts of cash and promises to give.

All donor-restricted contributions are reported as an increase in with-donor-restrictions – by time or purpose or – in perpetuity net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), with-donor-restrictions – by time or purpose restricted net assets are reclassified to without-donor-restrictions-undesignated net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of securities and property to the AEF are recorded at fair market value at the date of the gift. Restricted contributions are reported as restricted support in the period received.

Abilene Education Foundation Notes to the Financial Statements

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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.

Cost Allocation

The AEF report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and amortization and occupancy, which are allocated on a square footage basis. Telephone costs are allocated based on line counts by functional category.

Fair Value Measurements

ASC 820-10, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in ASC 820-10, fair value is 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. In determining fair value, the AEF uses various methods including market, income, and cost approaches. Based on these approaches, the AEF often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The AEF utilized valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the AEF is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Abilene Education Foundation Notes to the Financial Statements

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For fiscal year ended July 31, 2019 and 2018, the application of valuation techniques applied to similar assets has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value.

Interest in net assets of CFA (Community Foundation of Abilene): valued at the balance provided by CFA which represents the market value of the assets as invested and recorded by CFA and allocated to the AEF, which is generally equivalent to the present value of future payments expected to be made to AEF. These are classified by CFA in their audited financial statement to the various levels of Fair Market Measurements. The assets transferred to CFA are not assessable by the AEF and therefore are reflected at the lowest level of fair value classification.

Endowment Funds Held at Community Foundations

The AEF has adopted ASC 958-605, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others and transferred assets to CFA which is holding them as an agency fund (“Fund”) for the benefit of the AEF. The AEF has granted CFA variance power which gives CFA’s Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to CFA’s investment and spending policies. The AEF investment is solely as a beneficiary of a stated return on investment conducted by CFA, stated as 4% of a rolling investment value. The AEF reports the fair value of the Fund as Beneficial Interest in Assets Held at the CFA in the statement of financial position and reports distributions received as investment income. An interest in assets held by CFA is analogous to an ownership interest in which a proportionate share of net assets is attributed, however, the AEF does not have the ability to redeem its principle investment.



Abilene Education Foundation Notes to the Financial Statements

The following schedule classifies the AEF's assets and liabilities carried at fair value based upon the three-tier hierarchy required by ASC 820.

Assets at Fair Value as of July 31, 2019

	Level 1	Level 2	Level 3	Total
Interest in Assets Held by Community Foundation of Abilene	-	-	\$ 603,954	\$ 603,954
Total	-	-	\$ 603,954	\$ 603,954

Assets at Fair Value as of July 31, 2018

	Level 1	Level 2	Level 3	Total
Interest in Assets Held by Community Foundation of Abilene	-	-	\$ 599,477	\$ 599,477
Total	-	-	\$ 599,477	\$ 599,477

The interest in assets held at the Community Foundation of Abilene has been valued, as a practical expedient, at the fair value of the AEF's share of CFA's investment pool as of the measurement date, utilizing valuations provided by the investment funds. CFA values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of CFA, which includes private placements and other securities for which prices are not readily available, are determined by the management of CFA and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The beneficial interest in assets held at the CFA is not redeemable by the AEF.

Financial instruments classified as Level 3, due to inability to redeem its investment, in the fair value hierarchy represent the AEF's investments in financial instruments in which management has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for Level 3 financial instruments:

Balance at July 31, 2017	\$ 566,130
Additional amounts invested in fund	3,270
Share of appreciation of fund	53,784
Investment fees	(4,344)
Distributions received	(19,363)
Balance at July 31, 2018	\$ 599,477
Additional amounts invested in fund	15,626
Share of appreciation of fund	14,739
Investment fees	(4,365)
Distributions received	(21,523)
Balance at July 31, 2019	\$ 603,954



Abilene Education Foundation Notes to the Financial Statements

NOTE 3: RISK AND UNCERTAINTIES

Economic and Geographic Concentrations

The Abilene Education Foundation's activities are focused on the educational needs of the students in the Abilene Independent School District. Thus, the contributors to the organization are limited to individuals, businesses and foundations that have an interest in enhancing the education of AISD students. The economic conditions of the community may have an affect on the level of contributions received.

Concentrations of Credit Risk – Cash and Investment

The AEF maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The AEF maintains balances at the financial institutions in excess of the insured amount. Management consistently monitors, from time to time, the liquidity of the financial institution holding the assets and believes the risk of loss is remote. As of July 31, 2019, and July 31, 2018, the cash balance that exceeded the federally insured amount approximated \$188,000 and \$135,000, respectively.

The AEF has invested its endowment funds with CFA which invests the assets into a variety of financial securities in order to have a better return than money market rates of interest. These investments are subject to market valuation fluctuations and the investments are subject to a risk of loss.

NOTE 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the AEF's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date. As part of the organization's liquidity management, it invests cash in excess of daily requirements in bank certificates of deposit and bank money market accounts.

	<u>7/31/2019</u>	<u>7/31/2018</u>
Financial Assets at Year-End	\$ 1,220,120	\$ 1,452,822
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted to NEXT U Program	(9,380)	
Donor-restricted to COOL Program Contribution due in more than one year	-	(247,000)
Donor-restricted Scholarship and Teaching Funds as Endowments	(603,954)	(599,477)
	<u>\$ 606,786</u>	<u>\$ 606,345</u>



Abilene Education Foundation
Notes to the Financial Statements

NOTE 5: NET ASSETS

Net Assets are stated at fair value at July 31, 2019 and 2018 and consist of the following:

Without Donor Restrictions - Undesignated Net Assets:

	7/31/2019	7/31/2018
General Fund	\$ 110,222	\$ 102,745
AEF Agency Endowment Funds	14,764	15,878
Total Net Assets Undesignated	\$ 124,986	\$ 118,623

With Donor Restrictions – Restricted by Time or Purpose :

	7/31/2019	7/31/2018
Alumni Scholarship End		
AHS	\$ 8,740	\$ 9,438
CHS	7,447	7,924
Jennings Teaching Excellence Fund	73,244	80,523
Martha Kiel Scholarship Endowment Fund	2,356	2,763
Royce Curtis Scholarship Endowment Fund	12,702	13,875
Abilene COOL Program	240,615	479,231
Abilene COOL Program - Next University	3,685	-
AEF Choice	22,679	20,123
AEF Scholarship Programs	68,669	67,969
AHS Support Program (Pass Thru)	13,633	13,629
Hygiene Supply Program (Pass Thru)	3,361	10,108
Jefferson Center Program (Pass Thru)	27,635	38,623
Other (Pass Thru)	1,000	-
Teacher in the Limelight	3,226	6,133
Teacher Grant Programs	91,136	95,521
Website Maintenance Fund	4,068	4,469
Total Net Assets Restricted by Time or Purpose	\$ 584,196	\$ 850,329



Abilene Education Foundation Notes to the Financial Statements

With Donor Restrictions – In Perpetuity :

	<u>7/31/2019</u>	<u>7/31/2018</u>
AEF Agency Endowment Fund	\$ 44,230	\$ 44,230
Alumni Scholarship Endowment		
AHS	39,244	38,351
CHS	32,530	29,959
Chess Program Endowment Fund	10,000	-
Jennings Teaching Excellence Fund	275,034	275,034
Martha Kiel Scholarship Endowment Fund	23,570	23,470
Royce Curtis Scholarship Endowment Fund	61,232	59,751
Total Net Assets Restricted in Perpetuity	<u>\$ 485,840</u>	<u>\$ 470,795</u>

NOTE 6: FUND HELD IN TRUST BY OTHERS (INVESTMENTS)

Investments held by the AEF as of July 31, 2019 and 2018 consist of funds held at The Community Foundation of Abilene. These funds are invested in marketable securities at the Community Foundation of Abilene's discretion. The board of trustees of The Community Foundation of Abilene shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization, if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets restricted in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as net assets restricted by time or purpose until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund.
- 2) The purpose of the organization and the donor-restricted endowment fund.
- 3) General economic conditions.
- 4) The possible effect of inflation and deflation.



Abilene Education Foundation Notes to the Financial Statements

- 5) The expected total return from income and the appreciation of investments.
- 6) Other resources of the organization.
- 7) The investment policies of the organization.

Funds held in trust by others and changes in funds held in trust by others for the year ended July 31, 2018 and 2019 are as follows:

	Without Donor Restrictions - Undesignated	With Donor Restrictions – By Time or Purpose	With Donor Restrictions – In Perpetuity	Total
Beginning Balance	\$ 15,878	\$ 114,522	\$ 469,077	\$599,477
Contribution Received			15,626	15,626
Interests and Dividends Income	1,125	11,021		12,146
Net Realized Gains / Losses				-
Net Unrealized Gains / Losses	291	2,302		2,593
Total Increases	1,416	13,323	15,626	30,365
Grants Paid	2,096	19,427		21,523
Investments Fees	434	3,931		4,365
Total Decreases	2,530	23,358	-	25,888
Ending Balance 07/31/2019	<u>\$ 14,764</u>	<u>\$ 104,487</u>	<u>\$ 484,703</u>	<u>\$603,954</u>

	Without Donor Restrictions - Undesignated	With Donor Restrictions – By Time or Purpose	With Donor Restrictions - In Perpetuity	Total
Beginning Balance	\$ 12,736	\$ 87,587	\$ 465,807	\$566,130
Contribution Received			3,270	3,270
Interests and Dividends Income	1,577	13,921		15,498
Net Realized Gains / Losses				-
Net Unrealized Gains / Losses	3,817	34,469		38,286
Total Increases	5,394	48,390	3,270	57,054
Grants Paid	1,820	17,543		19,363
Investments Fees	432	3,912		4,344
Total Decreases	2,252	21,455	-	23,707
Ending Balance 07/31/2018	<u>\$ 15,878</u>	<u>\$ 114,522</u>	<u>\$ 469,077</u>	<u>\$599,477</u>



Abilene Education Foundation Notes to the Financial Statements

The Foundation is the income beneficiary of a trust (the JJM Fund) held by the Community Foundation of Abilene. The Foundation receives income from the trust less administrative and investment fees. The Community Foundation of Abilene retains ownership of the principal. As of July 31, 2019, and 2018, the total beneficial interests' receivable from the trust were \$0 in 2019 and \$5,438 in 2018.

NOTE 7: PROGRAMS

AEF STAR Teacher Grants

The AEF raises money each year to honor outstanding AISD teachers with classroom and instructional grants. These grants are provided to teachers after submission of grant requests to fund school educational projects. Awards are provided to teachers each September to fund the educational projects for the school year.

The Judy Dudley Memorial GIFT (Giving to First-time Teachers) Grants

GIFT (Giving to First-time Teachers) Grants are awarded to AISD teachers who are teaching for the first time (new to the profession). Grant funds are for additional classroom materials to enhance those provided by the school district.

Teachers in the Limelight

The Teacher in the Limelight Celebration honors the dedicated work of teachers in AISD with campus recognition, a formal dinner, and a monetary award. A TLC teacher possesses integrity and a love for teaching that spills into the classroom. With the donation of 3,000 shares of Exxon Mobile stock from Mr. Edwin Jennings, Jr. a permanent endowment held at Community Foundation of Abilene has been established to honor teachers making a difference in the lives of students in Abilene ISD with an "Edwin and Agnes Jennings Teaching Excellence Award" in memory of his parents. This endowment will allow AEF to continue these awards yearly for generations to come, as part of TLC (Teachers in the Limelight Celebration). Mr. Jennings, due to his passion for teaching math and science, also wishes to honor a secondary math and a secondary science teacher with an "Edwin and Agnes Jennings Teaching Excellence Award." Nominations for these awards are made by students, parents, colleagues, and community members, as well as school administrators. Mr. Jennings, Jr.'s parents, Edwin and Agnes Jennings, were active and well-regarded members of the Abilene community. In addition to campus awards, math and science finalists, there are four main Teaching Excellence Awards— Outstanding Elementary Teacher, Outstanding Secondary Teacher, Outstanding Math Teacher and Outstanding Science Teacher. The AEF establishes a Committee to evaluate the nominees and determines the recipients of the Teaching Awards and plan the awards ceremony. Last year an additional award was added, the Future Shaper Award funded by Unique Solutions to an outstanding teacher. A \$2,000 gift of travel.

Abilene Education Foundation Notes to the Financial Statements

AEF Young Masters Juried Art Exhibition Program

The AEF Young Masters Juried Art Exhibition for Advanced Placement Art students celebrates young master artists and their dedicated teachers for demonstrating excellence in artistic education with a quality museum art exhibition at the Grace Museum. The Young Masters exhibition extends the supporting role of the AEF with AISD, and will impact the future of not only the students selected for the show, but all advanced placement art students by inspiring them to reach their full potential. Additionally, it provides students acclamation that may further enhance opportunities for acceptance into higher education art programs. Scholarship winners are selected by a professional artist, as well as other non-scholarship recognition categories.

AEF Scholarship Program:

- Alumni Scholarship Endowment Program - The AEF began an Alumni Scholarship Endowment Program in February of 2008. The monies raised for the program are used to fund an endowment where earnings are awarded to seniors in AISD in the form of college scholarships. The amount of the scholarships varies depending on the donations and earnings from investments. The AEF collects all donations, writes all acknowledgements, and administers all scholarships following the guidelines established for past AEF scholarships. The funds are sent to the Community Foundation of Abilene for investment and remain there as a permanent (asset) endowment for future scholarships. They are the AHS and CHS Alumni Scholarship Endowed Funds, further details below.
- AHS and CHS Alumni Endowed Scholarship Funds - Funds in the AEF Alumni Scholarship Endowment Program are designated to Cooper High School and to Abilene High School for scholarships. The AHS and CHS funds consist of permanently restricted donations as well as board restricted funds. Other funds added to the program will be shared equally by both unless restricted by the donor or school reunion class.
- Royce Curtis Excellence in Education Endowed Scholarship Fund - During their 20th class reunion, the Class of 1993 announced a scholarship fund which will help future Eagles reach their goals of a college education in honor of Royce Curtis who served as the AHS principal for 14 years. This fund, which was established by Dr. Bracken and Mrs. Joana Kolle from a restricted donation of \$50,000, honors his legacy at Abilene High by awarding a deserving college-bound Abilene High School senior with a scholarship. The Kolle Class Endowed Scholarship was renamed to the Royce Curtis Excellence in Education Endowed Scholarship in the summer of 2013.
- Meta Alice Keith Bratten Scholarship Fund - This is a donor-directed memorial scholarship fund to be given as renewable scholarships each year for four years. It first

Abilene Education Foundation Notes to the Financial Statements

began in the 2012 fall semester. It is restricted to an Abilene High School graduating senior.

- The Martha Kiel Scholarship Fund - The Martha Kiel Scholarship Fund honors long-time beloved art teacher Martha Kiel's legacy by providing a scholarship to a high school student participating in the annual Young Masters Juried Art Exhibition at the Grace Museum. This fund was established in 2017 by various individual donors, retired teachers, current teachers, and charitable foundations, and is held at the Community Foundation of Abilene.
- AEF Young Masters Juried Art Exhibition Program Scholarships – The exhibition provides students acclamation that may further enhance opportunities for acceptance into higher education art programs. Scholarship winners are selected by a professional artist, as well as other non-scholarship recognition categories.
- The Abilene Education Foundation offers up to \$1,000 in scholarship funds per academic year to teacher's aides currently employed by Abilene ISD working on becoming a certified teacher. These funds are only available to students participating in the Teacher's Aide to Certified Teacher - McMurry University program. McMurry has established a formal partnership with Abilene ISD to offer aides a special tuition rate, courses at times outside regular school hours, and the option for a clinical teaching or paid internship with a bachelor's degree upon graduation. Students who successfully complete the program will be eligible for the standard Texas teaching certificate.
- AEF Donor Directed Scholarships are given by donors for specific scholarships for students at AHS, CHS and ATEMS High Schools. These scholarships vary in criteria and amount as per the request of the donor.
- Abilene Education Foundation also raises funds for AEF Scholarships on an annual basis.

AEF COOL Program (College Opportunities for Life)

The Abilene COOL program began in 2007 and provided four counselors (added two counselors in July 2012) to identify students that need assistance regarding the college application process. In addition to assisting students in the completion of college applications, the COOL program organizes field trips to college campuses and helps students find scholarships and funds for college. They also provide educational workshops for elementary, middle and high school students about the benefits and pathways to college. For the year ended July 31, 2019 and 2018, the program received contributions of \$84,657 and \$29,680, and incurred expenses of \$324,587 and \$276,786, respectively.



Abilene Education Foundation Notes to the Financial Statements

NextUniversity (NextU) is a career development program that empowers students to transition from high school into the local workforce through higher education and training. In fact, NEXTU focuses primarily on students who decide to pursue careers in fields such as welding, electrical, nursing, and aircraft maintenance. NEXTU will continue to assist students while they are still in high school through dual credit coursework, and after high school while they pursue higher education (from certificate programs to Associates degrees). NEXTU also gives students access to technical schools by providing them with workforce development dollars, which work as scholarships provided by the Development Corporation of Abilene (DCOA) and one-on-one mentoring from the Workforce Development Coach.

NOTE 8: IN-KIND DONATION

The AEF received office space and administrative services for its Executive Director from AISD. The office is supplied with phone service, computer and internet service, copy machine, copy paper, storage room, office supplies, etc. The other offices with similar provisions are also provided to the four AEF COOL Program College Advisors and the COOL Program Facilitator. The offices are located at AISD campuses: WCE, ATEMS, CHS, AHS and one AISD Center. For the year ended July 31, 2019 and 2018, \$7,459 was included in the financial statements for the use of these offices each year. The offices are provided on a month-to-month basis. The AEF also received events services from various providers to raise it funds and promote its programs. For the year ended July 31, 2019 and 2018, the in-kind donations were \$33,545 and \$22,861, respectively.

NOTE 9: CONTINGENCIES

In the ordinary course of conducting its operations, the Organization may be subjected to loss contingencies arising from lawsuits. Management believes that the outcome of such matters, if any, will not have a material impact on the Organization's financial position or results of future operations.

AEF awards scholarship annually to current AISD school students. Some of these scholarships span several years. AEF recognizes scholarship expense at the point when all requirements for the scholarship award have been met and the student has met enrollment requirements. At the end of the fiscal year 2019 and 2018, AEF had outstanding scholarship awards totaling \$29,250 and \$41,250, respectively.

NOTE 10: SUBSEQUENT EVENTS

Subsequent events were evaluated through January 15, 2020, the financial statements issue date.