Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

AUSTIN PUBLIC EDUCATION FOUNDATION
D.B.A AUSTIN ED FUND

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

31 DECEMBER 2021

Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management
Austin Public Education Foundation d.b.a Austin Ed Fund

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Austin Public Education Foundation d.b.a Austin Ed Fund (Austin Ed Fund), a nonprofit organization, which comprise of the statement of financial position as of 31 December 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Austin Ed Fund as of 31 December 2021, and the changes in it net assets and it cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for our Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

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opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Austin Ed Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Austin Ed Fund's ability to continue as a going concern for a reasonable period of time.

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

Montemayor Britton Bender PC

28 July 2022
Austin, Texas

AUSTIN PUBLIC EDUCATION FOUNDATION
D.B.A Austin Ed Fund

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

ASSETS

CURRENT ASSETS	
Cash	$4,017,391
Accounts Receivable	119,863
Prepaid expenses	45,000
Prepaid gift cards	18,000
	4,200,254
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS, Note 9	0
	$4,200,254

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$161,223
Deferred revenue	493,672
	654,895
NET ASSETS	
Without donor restrictions	611,659
With donor restrictions	2,933,700
	3,545,359
	$4,200,254

The accompanying notes are an integral part of this financial statement presentation.

AUSTIN PUBLIC EDUCATION FOUNDATION
D.B.A Austin Ed Fund

STATEMENT OF ACTIVITIES

YEAR ENDED 31 DECEMBER 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC REPORT AND REVENUE			
Grants and contributions	$6,596,894	$4,051,348	$10,648,242
Other	229,487	0	229,487
Net assets released from restriction	3,440,479	(3,440,479)	0
	10,266,860	610,869	10,877,729
EXPENSES			
Program	7,896,482	0	7,896,482
Administrative	64,322	0	64,322
Fundraising	41,298	0	41,298
	8,002,102	0	8,002,102
CHANGE IN NET ASSETS	2,264,758	610,869	2,875,627
BEGINNING NET ASSETS	(1,653,099)	2,322,831	669,732
ENDING NET ASSETS	$611,659	$2,933,700	$3,545,359

The accompanying notes are an integral part of this financial statement presentation.

AUSTIN PUBLIC EDUCATION FOUNDATION
D.B.A Austin Ed Fund

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$2,875,627
Change in accounts receivable	253,937
Change in prepaid expense	(45,000)
Change in accounts payable	8,744
Change in deferred revenue	256,774
Change in other	(17,700)
NET CHANGE IN CASH	3,332,382
BEGINNING CASH	685,009
ENDING CASH	$4,017,391

The accompanying notes are an integral part of this financial statement presentation.

AUSTIN PUBLIC EDUCATION FOUNDATION
D.B.A. Austin Ed Fund

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

Austin Public Education Foundation d.b.a Austin Ed Fund (Austin Ed Fund) was established in 1993. Austin Ed Fund is a nonprofit organization located in Austin, Texas that supports the Austin Independent School District (AISD). Austin Ed Fund receives and disburses grants for the support of education and education projects of the AISD. Austin Ed Fund in addition to the grant programs, supports important district-wide initiatives like the AISD Crisis Support Fund, social and emotional learning and encouraging the community to give generously to the AISD teachers, students and programs.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Austin Ed Fund uses the accrual basis of accounting. Contributions and grants are recorded as revenue as the funds are considered earned. Fee revenues are recorded when earned, rather than received. Expenses are recorded when incurred regardless of when paid.

FINANCIAL STATEMENT PRESENTATION

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changers therein are classified and reported as follows

Net Assets Without Donor Restrictions
Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions
Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

SUBSEQUENT EVENTS

Austin Ed Fund has evaluated subsequent events through the date of the Independent Auditor's Report, the date the financial statements were available to be issued.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE AND REVENUE RECOGNITION

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

ACCOUNTS RECEIVABLE

Austin Ed fund has not recorded an allowance for uncollectible accounts because the receivables are considered to be 100% collectible. All receivables on the statement of financial position are due within the next fiscal year.

ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles require officers to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

FUNCTIONAL EXPENSE ALLOCATION

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include staffing, meeting and events, and other, which are allocated based on estimates of time and effort.

FEDERAL INCOME TAXES

Austin Ed Fund is exempt from federal income tax under Internal Revenue Code section 501(c)(3) on income related to its exempt purpose and, as such, is subject to income taxes only on unrelated business income. Austin Ed Fund did not have any unrelated business income and accordingly, no provision for income taxes has been made in the accompanying financial statements. Austin Ed Fund's policy is to record interest and penalties related to income taxes as interest and other expense, respectively. At 31 December 2021 no interest and penalties have been or are required to be accrued.

NOTE 3: CONCENTRATIONS

Austin Ed Fund received 46% of it's total revenue from two organizations. 94% of accounts receivable are from two foundations.

NOTE 3: CONCENTRATIONS

Cash balances at year-end exceed FDIC coverage by $3,652,160.

NOTE 4: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	$4,017,391
Accounts receivable	119,863
	$4,137,254

As part of Austin Ed Fund's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from Austin Ed Fund's operating accounts.

NOTE 5: FUNCTIONAL EXPENSES

	Program	Administrative	Fundraising	Total
Program	$7,403,127	$0	$0	$7,403,127
Direct	244,944	0	0	244,944
Staffing	197,178	5,000	5,000	207,178
Contracts	33,275	0	0	33,275
Event contracts	0	0	25,923	25,923
Accounting	0	20,700	0	20,700
Meeting and events	0	8,150	8,150	16,300
Contributed space	0	5,510	0	5,510
Other	17,958	24,962	2,225	45,145
	$7,896,482	$64,322	$41,298	$8,002,102

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Purpose restriction:

Student Health and Wellness	$1,218,413
Campus Support	514,532
Early Childhood and Family Engagement	460,538
College, Career, and Enrichment	106,834
Crisis Support	64,920
Other Austin ISD programs and initiatives	568,463
	$2,933,700

Net assets released from donor restriction during the year:

Student Health and Wellness	$1,052,252
Crisis Support	761,710
Campus Support	637,633
Early Childhood and Family Engagement	349,035
College, Career, and Enrichment	260,812
Other Austin ISD programs and initiatives	379,037
	$3,440,479

NOTE 7: RELATED PARTY TRANSACTIONS

During the year, Austin Ed Fund received a $191,800 restricted grant from Austin Parks Foundation to support a campus project at Houston Elementary School. A member of management at Austin Ed Fund is related to an executive at Austin Parks Foundation.

NOTE 8: CONTRIBUTED SPACE AND SERVICES

Austin Ed Fund was provided with use of office space at no cost. Austin Ed Fund recognized contributions of $5,510 for the use of facilities during the year ended 31 December 2021. Austin Ed Fund also received contributed staff of $167,178 that benefitted all activities.

NOTE 9: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Austin Ed Fund setup an endowment fund in 2017 with donor funds as an endowment fund at the Austin Community Foundation, Inc. (ACF) for the benefit of Austin Ed Fund. ACF has variance power over the endowment and, as such, may modify any condition or restriction on the distribution of funds if, in its sole judgment, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by ACF. Accordingly, no asset has been recognized by Austin Ed Fund for this donor-established endowment, which was valued at $254,174 at year end.

Distributions may be made from the this fund to support the mission, operations and programs of Austin Ed Fund. Such distributions are subject to the ACF's spending policy established by the ACF Board of Governors with the goal of maintaining the endowment's purpose in perpetuity. The spending policy provides for maximum distributions to Austin Ed Fund each year calculated as 4% of the average trailing twenty quarters of the endowment's market value. Austin Ed Fund records revenue annually when such distributions are received.