

Albany Public Schools Foundation
PO Box 1772
Albany, OR 97321

March 8, 2024

Rauch, McFetridge, Cleveland, and Stein, CPAs
884 Park Street
Lebanon, OR 97355

We are providing this letter in connection with your review of the statements of assets, liabilities, and net assets—income tax basis of the Albany Public Schools Foundation, as of June 30, 2023, and the related statements of revenues, expenses, and other changes in net assets—income tax basis and cash flows—income tax basis for the year then ended, and the related notes to the financial statements, for the purpose of obtaining limited assurance as a basis for reporting whether you are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with the income tax basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the 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, as of March 8, 2024, the following representations made to you during your review.

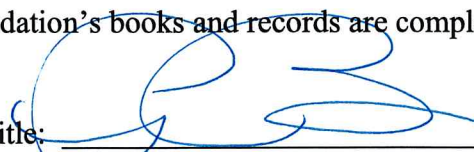
1. We acknowledge our responsibility and have fulfilled our responsibilities for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting, as set out in the terms of the engagement.
2. We have made available to you all:
 - a. Financial records and related data, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements.
 - b. Minutes of the meetings of trustees, board of directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. Additional information you have requested from us for the purpose of the review.
 - d. Unrestricted access to personnel from whom you determined it necessary to obtain review evidence.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

4. All transactions have been recorded and have been properly reflected in the financial statements.
5. There are no uncorrected misstatements.
6. We acknowledge and have fulfilled our responsibility for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
7. We acknowledge our responsibility for designing, implementing, and maintaining internal control to prevent and detect fraud.
8. We have no knowledge of any fraud or suspected fraud affecting the Foundation involving management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Foundation's financial statements as a whole communicated by employees, former employees, volunteers, regulators, or others.
10. We have disclosed to you the identity of the Foundation's related parties and all the related-party relationships and transactions of which we are aware and we have appropriately accounted for and disclosed such relationships and transactions.
11. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
12. The following have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Foundation is contingently liable.
 - c. Significant estimates and material concentrations known to management that are required to be disclosed.
13. There are no:
 - a. Known actual or possible instances of noncompliance with laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Known actual or possible claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed.

- c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
14. The Foundation has satisfactory title of all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
15. There are no designations of net assets that were not properly authorized and approved or reclassifications of net assets that have not been properly reflected in the financial statements.
16. 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.
17. We believe significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable in the circumstances.
18. We are in agreement with the adjusting journal entries, if any, you have recommended, and they have been posted to the Foundation's accounts.
19. We have disclosed to you all information relevant to the use of the going concern assumption in the financial statements.
20. No events have occurred subsequent to the date of the Foundation's financial statements and through the date of this letter that would require adjustments to, or disclosure in, the aforementioned financial statements.
21. We have responded fully and truthfully to all inquiries made to us by you during your review.
22. In regard to the financial statement preparation services performed by you, we have:
- Assumed all management responsibilities.
 - Overseen the services by designating an individual who possesses suitable skill, knowledge, and/or experience.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.
23. The Foundation's ~~books and records~~ are complete.

Signature and Title: _____

Date: _____

 Executive Director
5/14/2024

ALBANY PUBLIC SCHOOLS FOUNDATION

FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

ALBANY PUBLIC SCHOOLS FOUNDATION

BOARD OF DIRECTORS

June 30, 2023

OFFICERS

Erik Fedler, President

John Jackson, Vice President

Monica Banks-Figueroa, Secretary

Greg Kniebuehler, Treasurer

MEMBERS

Joanne Alford

Jerrie Matuszak

Stephanie Black

Dave Pautsch

Kimberly Christensen

Kilee Sowa

Cindy Draper

Will Summers

Stephanie Hagerty

Jerred Taylor

Zach Hatefi

Elaine Wells

Lynn Hubert

Ilynn Winn

Patricia Martinez

Todd Zimmermann

INTERIM EXECUTIVE DIRECTOR

Cam Preus

Albany Public Schools Foundation

PO Box 1772

Albany, OR 97321

ALBANY PUBLIC SCHOOLS FOUNDATION

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FINANCIAL SECTION

**RAUCH, MCFETRIDGE,
CLEVELAND & STEIN**

CERTIFIED PUBLIC ACCOUNTANTS, LLC

**884 Park Street
Lebanon, Oregon 97355
Phone (541) 259-1201
Fax (541) 259-1208**

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**Board of Directors
Albany Public Schools Foundation
Albany, Oregon 97321**

We have reviewed the accompanying financial statements of Albany Public Schools Foundation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—income tax basis as of June 30, 2023 and the related statement of revenues, expenses, and other changes in net assets—income tax basis and cash flows—income tax basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting the company uses for income tax purposes; this includes determining that the basis of accounting the company uses for income tax purposes is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the basis of accounting the company uses for income tax purposes. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Albany Public Schools Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the basis of accounting the company uses for income tax purposes.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the basis of accounting the company uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Rauch, McFetridge, Cleveland & Stein CPAs

Rauch, McFetridge, Cleveland & Stein CPAs

March 8, 2024

William A. Rauch, CPA

David D. McFetridge, CPA

Kimberly T. Cleveland, CPA

Irina O. Stein, CPA

Patricia M. Nugent, CPA

Jack D. Money, CPA

Corrinne E. O'Brien, CPA

David E. Benneth, CPA

BASIC FINANCIAL STATEMENTS

ALBANY PUBLIC SCHOOLS FOUNDATION
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
INCOME TAX BASIS
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 261,713
Pledges receivable, net	35,088
Fees receivable, net	85,564
Certificates of deposit	<u>499,930</u>

TOTAL CURRENT ASSETS 882,295

Investments	1,408,137
Permanent endowments	2,382,655
Leasehold improvements, net of accumulated depreciation	<u>18,516</u>

TOTAL ASSETS \$ 4,691,603

LIABILITIES AND NET ASSETS

Liabilities

Credit cards payable	\$ 1,762
Accrued payroll liabilities	3,065
Accrued scholarship liabilities	219,250
Accrued SAP liabilities	<u>80,000</u>

TOTAL CURRENT LIABILITIES 304,077

Net Assets

Without donor restrictions	962,674
With donor restrictions	
Purpose restricted	1,303,018
Perpetual in nature	<u>2,121,834</u>

TOTAL NET ASSETS 4,387,526

TOTAL LIABILITIES AND NET ASSETS \$ 4,691,603

The accompanying notes are an integral part of these financial statements.

ALBANY PUBLIC SCHOOLS FOUNDATION
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS
INCOME TAX BASIS
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose Restricted	Perpetual in Nature	
REVENUES, GAINS, AND OTHER SUPPORT				
Contributions	\$ 47,518	\$ 278,962	\$ 4,900	\$ 331,380
Grants	513,963	-	-	513,963
Fundraising events	160,062	-	-	160,062
Fund management fees	43,665	-	-	43,665
Investment income	304,431	-	2,015	306,446
Net assets released from restrictions	-	-	-	-
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	<u>1,069,639</u>	<u>278,962</u>	<u>6,915</u>	<u>1,355,516</u>
EXPENSES AND LOSSES				
Program services	471,847	-	-	471,847
Support services	248,063	-	-	248,063
Fundraising	151,778	-	-	151,778
TOTAL EXPENSES	<u>871,688</u>	<u>-</u>	<u>-</u>	<u>871,688</u>
CHANGE IN NET ASSETS	197,951	278,962	6,915	483,828
NET ASSETS AT BEGINNING OF YEAR	<u>764,723</u>	<u>1,024,056</u>	<u>2,114,919</u>	<u>3,903,698</u>
NET ASSETS AT END OF YEAR	<u>\$ 962,674</u>	<u>\$ 1,303,018</u>	<u>\$ 2,121,834</u>	<u>\$ 4,387,526</u>

The accompanying notes are an integral part of these financial statements.

ALBANY PUBLIC SCHOOLS FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
INCOME TAX BASIS
For the Year Ended June 30, 2023

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Accounting fees	\$ -	\$ 15,001	\$ -	\$ 15,001
Advertising	-	9,200	4,908	14,108
Bank charges	-	803	2,390	3,193
Catering	1,797	180	18,975	20,952
Contract services	4,997	4,494	9,400	18,891
Depreciation	40	-	-	40
Dues, licenses, fees	-	2,408	-	2,408
Event supplies	-	60	46,055	46,115
Grants	174,842	-	-	174,842
Conferences and meetings	299	652	271	1,222
Insurance	-	5,639	-	5,639
Miscellaneous	-	2,146	364	2,510
Payroll	57,530	105,853	50,032	213,415
Payroll tax and benefit	14,164	26,213	11,808	52,185
Postage and delivery	20	5,471	1,977	7,468
Rent	-	38,431	545	38,976
Repair and maintenance	-	9,845	-	9,845
Scholarships	212,136	-	-	212,136
Supplies	16	8,472	1,501	9,989
Technology and software	6,000	7,247	3,552	16,799
Training and development	-	1,514	-	1,514
Travel and mileage	6	1,650	-	1,656
Utilities	-	2,784	-	2,784
	<u>\$ 471,847</u>	<u>\$ 248,063</u>	<u>\$ 151,778</u>	<u>\$ 871,688</u>

The accompanying notes are an integral part of these financial statements.

ALBANY PUBLIC SCHOOLS FOUNDATION
STATEMENT OF CASH FLOWS
INCOME TAX BASIS
For the Year Ended June 30, 2023

	2023
Cash Flows from Operating Activities	
Change in net assets	\$ 483,828
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	40
Non-cash contributions	(82,883)
Non-cash expenses	82,900
Interest earned on investments	(7,200)
Dividends earned on investments	(82,685)
Capital gains earned on investments	(59,418)
Realized (gain) loss on disposal of investments	(20,300)
Unrealized (gain) loss on investments	(136,843)
Donated securities included in contributions	1,564
Decrease (increase) in:	
Pledges receivable, net	60,662
Fees receivable, net	(15,050)
Prepaid expenditures	4,681
Increase (decrease) in:	
Credit cards payable	1,753
Accrued payroll liabilities	(2,125)
Accrued scholarship liabilities	(38,050)
Accrued SAP liabilities	14,000
Net Cash Provided (Used) by Operating Activities	204,874
Cash Flows from Investing Activities	
Proceeds from sale of investments	692,317
Purchase of investments	(1,106,388)
Leasehold improvements	(18,556)
Net Cash Provided (Used) by Investing Activities	(432,627)
Net Increase (Decrease) in Cash and Cash Equivalents	(227,753)
Beginning Cash and Cash Equivalents	489,466
Ending Cash and Cash Equivalents	\$ 261,713

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – ORGANIZATION

The Albany Public Schools Foundation (the Foundation) was incorporated in 1984, and was established as a nonprofit corporation whose purpose is to promote the best interest of the public education in the Albany, Oregon area.

The mission of the Albany Public Schools Foundation is to generate and distribute resources that enrich and enhance the education opportunities for all students, encourage teachers to implement innovative education programs, and award scholarships to Albany Public School District students.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies utilized in the preparation of the accompanying financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting used for federal income tax reporting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Although income tax rules are used to determine the timing of the reporting of revenues and expenses, nontaxable revenues and nondeductible expenses are included in the determination of net income.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board wherein the Foundation is required to report information regarding its financial position and activities according to the following net asset classification:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

See the Accompanying Accountant's Report

ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with the income tax basis of accounting requires management 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 those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash held in checking, savings, and money market accounts. Funds may be deposited or withdrawn without prior notice or penalty.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor, if any, are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Concentration of Credit Risk

Bank accounts are maintained which may exceed depository insurance limits, and therefore be exposed to credit risk. The Foundation has not experienced any losses in such accounts. Management believes there is no exposure to any significant credit risk related to cash in the Foundation's accounts.

Pledges Receivable

The pledges receivable consist of fund-raising sponsorships and scholarship contributions. The allowance is an estimate based on management's knowledge of historical collection rates and current economic conditions. At June 30, 2023, management has deemed all amounts collectible; therefore, no allowance was established for the year then ended.

Property and Equipment

Purchased property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated lives of the assets. The Organization's policy is to depreciate property and equipment over the following estimate useful lives for each asset class:

	<u>Useful Life</u>
Land and Building Improvements	10 – 39 Years

See the Accompanying Accountant's Report

ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

Donated materials are recorded at fair market value, or estimated fair market value if actual fair market value is not readily available at the time of the donation. The value of contributed time by volunteers is not reflected in the financial statements because it is not susceptible to objective measurement or valuation.

Accounting for Public Support

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

The Foundation reports gifts of cash and other assets as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are recognized. All other donor restricted contributions are reported as an increase in net assets with donor restriction, depending on the nature of restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Functional Allocation of Expenses

The Albany Public Schools Foundation allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification.

Income Taxes

The Foundation is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The Organization has also been classified as an organization that is not a private foundation within the meaning of section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Management evaluates tax positions annually based on the guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740. FASB ASC 740 prescribes a comprehensive model for recognizing, measuring, presenting, and disclosing, in the financial statements, tax positions taken or expected to be taken on a tax return, including positions that the Foundation is exempt from income taxes or not subject to income taxes on unrelated business income. The foundation presently discloses or recognizes income tax positions based on

**ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax benefits.

Advertising Costs

The Foundation uses advertising to promote its programs. Costs associated with advertising are expensed in the year incurred. Advertising costs for the year ended June 30, 2023 amounted to \$14,108.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

These are the following funds with donor restrictions that are temporary in nature:

- **AOS Arbuthnot Career-Connected Learning Grant** established an endowment and annual fund to be used for grants in support of deserving AOS students, with severe financial need and/or other challenges, as they prepare for and matriculate to an accredited post high school education institution.
- **Mike Bevington Music Fund** was established for funds distributed to support Mid Valley Band Camp. The Camp determines recipients.
- **FACT Donations** was established in 2019-20 to hold donations designated for FACT.
- **Dollars for Scholars (APSF Career & Technical Education)** was established by the board to help fund STEM or CTE programs or scholarships.
- **K6 Underserved** was established for funds donated for K6 Underserved.
- **SAHS Athletic Fund** was established for funds designated for SAHS Athletic Fund.
- **SAHS RISE Diversity Mural Project** was established for a mural on SAHS campus.
- **STEM Literacy Project** was established for funds designated by donors for K12 STEM programs.
- **Student Assistance – Homeless Kids** was established for funds donated for homeless students.
- **Student Assistance K12 - AOS/Arbuthnot** was established for funds raised for the Student Assistance program for any part of the program for any school in the district.
- **Student Assistance K12 - District** was established for funds raised for the Student Assistance program for any part of the program for any school in the district.

See the Accompanying Accountant's Report

**ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

- **Student Assistance Mentor - District** was established for funds raised for the Student Assistance program for any part of the program for any school in the district.
- **Student Assistance Mentor - SAHS** was established for funds raised for the Student Assistance program for any part of the program for SAHS.
- **Student Resource Center** was established for funds raised for the FACT program.
- **Suicide Prevention Temp Restricted** was established for funds raised for the Sources of Strength program.
- **WAHS Water Polo** was established for funds donated for WAHS water polo.
- **Water Awareness Program** was established for funds donated for water safety program.
- **Albany K3 School** was established for funds donors designated for Enrichment support.
- **Enrichment Arts & Stem** was established for funds donors designated for Enrichment support.
- **K2 STEM Classroom Grant** was established for donor designated funds for classroom grants for K2 STEM
- **K3 Classroom Grants** was established for donor designated funds for classroom grants for K3.
- **AK Carpet And More Entrepreneurial Scholarship Fund** established a scholarship for a student interested in starting their own business.
- **Howell HS Scholarship** was established to provide scholarship for a student planning a career in teaching. The student must have financial need and can't receive any other scholarship to receive this scholarship.
- **Donald G. Stevens Family Memorial Scholarship** established a scholarship for a student studying a vocational trade at a college or trade school in Oregon.
- **Reece Family Scholarship** established a scholarship for a student who attending LBCC or OSU (intent is to go to OSU). The student must have financial need, have participated in extracurricular activities, and have some volunteer experience.
- **Alford Family Scholarship** established a scholarship for a student attending Eastern Oregon University.

See the Accompanying Accountant's Report

**ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

- **Cammack Morgan Family Investment in Excellence Scholarship** established a scholarship for a student planning a career in education or STEM.
- **Stem Diversity Scholarship** established a scholarship for a student from a culturally diverse background who is going into a STEM-related field. Priority given to first-generation college students.
- **Diane Smith Memorial Scholarship** established a scholarship for a student from AOS, SAHS, or WAHS with financial need, GPA 2.5 or higher, CTE major or certification program.
- **Dutch Bros Coffee (Albany) Scholarship** established a scholarship for a student from AOS, SAHS, or WAHS.
- **Derek Beattie Scholarship Fund** established a scholarship for a student graduating from SAHS or WAHS going into the culinary arts. First award was given 2018-19.
- **East Albany Lions Club Scholarship Fund** established a scholarship for a student from SAHS or WAHS with a GPA of 3.5 or above.
- **ATI Scholarship Fund** was established for a scholarship for a graduate from AOS, SAHS, or WAHS, who is going to LBCC in one of their CTE programs. The student must have a financial need, have a GPA of 2.5 or higher, and have an acceptance from the LBCC program.
- **CWCU Scholarship** was established for a student graduating from AOS, SAHS, or WAHS with a financial need and a GPA of 2.50 or higher.
- **Student Assistance Fund-AOS/Arbuthnot** was established for donor designation to the Student Assistance Program Scholarship for AOS.
- **AMIC Scholarship** was established in 1991 as a scholarship for graduates who are going into the medical imaging field. First scholarship was awarded in 2018-19. Albany Medical Imaging Company is out of business.
- **Gerding Builders Scholarship** was established in 2019-20.
- **Pathway to Construction Engineering Scholarship - HMK** was established in 2019-20.
- **General Scholarship Fund** was established to collect funds for scholarship donation with no specific designation. – APSF matching funds
- **Ms. Marilee Scholarship** was established to provide a scholarship for a graduating senior from AOS, SAHS, or WAHS who went to Periwinkle Elementary. This account is a pre-endowment.

See the Accompanying Accountant's Report

ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

- **No Dinx Art Scholarship** was established to provide a scholarship for a graduating senior from AOS, SAHS, or WAHS who is going into an area of Art.
- **Lyle Swisher Scholarship** was established to provide a scholarship for a graduating senior from WAHS who is the top Math student. WAHS staff pick the winner.
- **LBCC Scholarship Fund** was established to provide a scholarship for a graduating senior going into LBCC CTE programs. Was in partnership with LBCC, Albany Chamber of Commerce, and APSF.
- **Mid Valley Business Alliance Scholarship** was established to provide a scholarship for a graduating senior going into the Business field.
- **Chris Lukesic and Sons Memorial Scholarship** was established to provide a scholarship for a graduating senior from WAHS who has a GPA of 3.0 or higher, participated in a community, church, school or city sports program, and has 10 hours of documented community service.
- **Latinx Heritage Scholarship** was established to provide a scholarship for a graduating senior from SAHS or AOS who is of Latinx Heritage, first language is Spanish, financial need, minimum GPA 2.5, permanent resident, DACA, U.S. Citizen or eligible non-citizen. Preference given to first generation college goers.
- **IGA Home Town Proud** was established to provide a scholarship for a graduating senior.
- **Immanuel Lutheran Scholarship Fund** was established to provide a scholarship for a student experiencing or having experienced homelessness.
- **Howell Delta Kappa Gamma Scholarship** was established to provide scholarship for students from SAHS and WAHS going into the teaching profession.
- **P.E.O. Chapter O-Oktoberfest Scholarship** established a scholarship for a student who is female, in financial need, and who must attend school in Oregon.
- **Geneva Humphrey Scholarship** established a scholarship for a female student. Ladies of color are encouraged to apply. Student must have an interest in dance or theater. Actually looking for a kid who overcame obstacles, caring, finding themself.
- **Rob Romancier Girls Water Polo Scholarship** established a scholarship for a female student who was a water polo player in high school and who has community service experience.

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**ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

- **Alvarez-Cortez Scholarship** established a scholarship for a student with financial need and who is of Chicano/Latinx heritage. Student must attend OSU. Priority given to first generation college students.
- **Pautsch Family Scholarship Fund** established a scholarship for a student with financial need, majoring in Nursing, with a minimum GPA of 3.0.
- **Officer Jason Hoerhauf Scholarship Fund** was established in memory of Jason Hoerhauf to provide a scholarship to a student seeking a degree in Criminal Justice or Law Enforcement. Student must have financial need and have a minimum GPA of 2.5.
- **Bob Egan Scholarship** established a scholarship for a student with financial need. Student must attend community college or trade school and focus on a vocational pathway (trade) or certification program.
- **Samaritan Health Service Scholarship** established a scholarship for a student with financial need who is going into a healthcare related field or public health.
- **Christensen Machine Service Scholarship** established a scholarship for a student with financial need who is planning to study construction trades (welding, plumbing, electrical, etc.), cosmetology trade, law enforcement, or EMT.
- **Jensen Family Legacy Scholarship Fund** established a scholarship for a student with financial need who is planning to study engineering. Student must have played baseball or softball.
- **Sharon Gisler Memorial Scholarship Fund** established a scholarship for a student with financial need. Student must have volunteer or community service experience and must major in education, criminal justice, service-related fields, or community engagement fields.
- **Shirley (Volz) Bilyeu Scholarship** established a scholarship for a student with financial need who is planning to pursue a field that helps people, animals, or the environment.
- **Mae Lane Memorial Scholarship** established a scholarship for a male first-generation college student of Hispanic heritage.
- **Taylor Kolkow Family Scholarship** established a scholarship for a student with a GPA of 3.0 or higher and with community service.
- **David Alford Memorial Scholarship** established a scholarship for a student with a GPA below 3.2 who has overcome some obstacles in life.
- **Legacy/Lagado Scholarship** established a scholarship for a student of Hispanic heritage with financial need. Student must have some volunteer or community service experience.

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**ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

- **Albany Pride Scholarship** established a scholarship for a student who identifies as LGBTQIA+ or active ally.
- **Southpaws Baseball Scholarship** established a scholarship for a student with a minimum of 2 years participation on a high school baseball team and with no Ds or Fs on their transcript.
- **Shortstop Scholarship** established a scholarship for a student with a minimum of 2 years participation on a high school softball team and with no Ds or Fs on their transcript.
- **Jim Linhart Scholarship** established a scholarship for a student who has volunteer service to the Albany Community and a minimum GPA of 2.5.
- **Budget Blinds of Albany and Corvallis Scholarship** established a scholarship for a student with a minimum GPA of 2.5 and who had at least 2 years of Applied Fine Arts classes in high school (Art, Design, Textiles, Woods, Metals, Digital Arts).
- **New Horizons Scholarship Fund** established a scholarship for a student with a minimum GPA of 2.5 who participated in some extracurricular activity. Student must attend community college, trade school, or a Christian university.
- **Familia Hernandez Scholarship** established a scholarship for a student who is going into a STEM-related field. Student must have a minimum GPA of 2.75 and must be a minority.
- **Reid Family Scholarship Fund** established a scholarship for a student who participated in an extracurricular activity, a sport, or an after-school job. Student must have a minimum GPA of 3.0 and must have financial need.
- **Business Beavs Scholarship** established a scholarship for a student who is studying in the College of Business at OSU. Student must have a minimum GPA of 3.0. Priority given to first-generation college students and to students of color.
- **“Be a Good Human” Ayers Family Scholarship** established a scholarship for a student with school or community involvement and a minimum GPA of 3.0.
- **Alyrica Scholarship** established a scholarship for a student who is a business or computer science major at a community college or university in Oregon. Student must have volunteer/community service experience and a minimum GPA of 3.0.
- **Jeanne Linn Scholarship** established a scholarship for a student with financial need and a minimum GPA of 3.25.
- **NW Natural Scholarship** established a scholarship for a student attending college or trade school in Oregon or Washington.

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**ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

- **Michelle L Davis Memorial Fund** established a scholarship for a student attending Linfield University.
- **Nancy and Jim Goode Scholarship** established a scholarship for a student attending the University of Oregon, Oregon State University, or LBCC that participated in a music or choir program.
- **S.H. & Myong Healthcare Scholarship** established a scholarship for a student going into a healthcare or animal healthcare related field with a GPA or 3.5 or higher.
- **Dr. Thomas RN Reida Harada Health Sciences Scholarship** established a scholarship for a student majoring in health or science. Doctor or nursing program. LGBTQ+.
- **Hispanic Success Scholarship Funds** established a scholarship for a first-generation college student of Hispanic/Latinx heritage.
- **CMX Dream Big Scholarship** established a scholarship for a student planning a career in a STEM field.
- **Koontz Family Scholarship Fund** established a scholarship for a student planning to major in accounting or a business-related field.
- **PacifiCorp Scholarship** established a scholarship for a student focusing on a CTE/trades program with a minimum GPA of 2.5.
- **Northwest Credit Union Scholarship** established a scholarship for a student with community service experience.
- **Cherita Wilson – Follow your Art Scholarship Fund** established a scholarship for a student who participated in art, music, drama, or visual arts for at least three years in high school and who is majoring in an art-related field, like music, drama, art, visual arts, or liberal arts.
- **Roger Dasch Scholarship** established a scholarship for a student who participated in sports in high school and has financial need. Student must have a GPA between 2.5 and 3.2 and have a minority background.
- **Darrell Wolfe Scholarship Fund** established a scholarship for a student who participated in the yearbook, newspaper, literature club, or similar club while in high school.
- **BBSI Scholarship** established a scholarship for a student who participated in extracurricular activities through the school and has a GPA between 3.0 and 3.5.

ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

- **Heern Maez Memorial Scholarship** established a scholarship for a student who identifies as Latino or racially diverse, studies agriculture, education, or a trade, and who has community/volunteer experience.
- **Zerby Health Care/Education Scholarship** established a scholarship for a student majoring in a healthcare related field or education, has a minimum GPA of 3.4, and has volunteer experience.
- **Lepman Aspirational Scholarship** established a scholarship for a student attending a community college or trade school in Oregon, focusing on a vocational trade, and who has overcome some barriers in life.
- **Coburn Scholarship** established a scholarship for a student planning to go into the electrical field.
- **Burnett Family Scholarship** was established in 2019-20.
- **Oakeson & Hotrum Family Scholarship** was established in 2019-20.
- **Pat Bedore Scholarship** was established in 2019-20.
- **Step Forward Scholarship** was established in 2019-20.
- **The Edward Jones Scholarship** was established in 2019-20.
- **Shogren Family Scholarship** was established in 2019-20 and set up as a pre-endowment.
- **NAACP Greater Albany Scholars Scholarship** established a scholarship for a student interested in service, leadership, equality of rights and in ending race based discrimination.
- **Bodlovic Family Scholarship** established a scholarship for students going into the business field with preference to financial need..
- **Linfield University Scholarship Fund** is a board designated fund that provides scholarships for graduating seniors from SAHS and WAHS. This fund can be dispersed for other purposes based on the APSF Board's discretion.
- **SERVPRO Scholarship** established a scholarship for a student with volunteer experience or community service.
- **SAP/Scholarships/Stipends/Grants.**

**ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

These are the following funds with donor restrictions that are perpetual in nature:

- **Arbuthnot Corpus** was established in January of 2019 for the purpose of the Student Assistance Program for AOS.
- **Botkin Endowment Corpus** was established for a graduating WAHS student athlete (male or female) with the best grade point average who will be attending Oregon State University. Established November 2013.
- **Candace Baker Endowment Corpus** was established for a graduating student from AOS, SAHS, or WAHS going to a college, university, or vocational school in Oregon. They must have a 3.0 GPA, have financial need, and work experience and/or community or school service. Established in 2016.
- **Coburn Endowment Corpus** was established for a graduate from AOS, SAHS, or WAHS going into an electrical field.
- **Jordan Endowment Corpus** was established to provide classroom or sports experiences for underserved kids in K-6.
- **Kruse Corpus** was established in February 2021. The primary purpose of the Fund is for tuition, books, and fees associated with post-secondary education in any university, college, community college, vocational school or state or federally certified training program or like institution (collectively “Institution”) for the Step Forward Scholarship. The secondary purpose of the Fund is for tuition, books, and fees associated with post-secondary education in any university, college, community college, vocational school or state or federally certified training program or like institution (collectively “Institution”) for the Roger Dasch Memorial Scholarship.
- **Mann Endowment Corpus** was established to provide scholarships for graduating students from AOS, SAHS, or WAHS.
- **Scharpf Corpus** was established to provide funds for various programs such as Sources of Strength, Resource Center, Enrichment Grants, Classroom Grants, General Scholarships, SAP Post Secondary, iCelebrate and iSwim fundraisers, RMD Postcard and Planned Giving, Teacher Appreciation, Program Growth, Equipment and Supplies, and Facilities Improvement.
- **Teddy Brown Endowment Corpus** was established in 2004 to provide a scholarship(s) to a graduating senior from WAHS, based on academic achievement, not on financial need.

ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 – CASH AND CASH EQUIVALENTS

Deposits are held with three financial institutions in demand deposit accounts. As of June 30, 2023, all cash deposits with financial institutions were fully insured by the Federal Depository Insurance Corporation or the National Credit Union Association. As of June 30, 2023, cash and cash equivalents consisted of the following:

Checking account	\$ 162,493
Money market account	97,416
Savings account	<u>1,804</u>
Total Cash and Cash Equivalents	<u>\$ 261,713</u>

NOTE 5 – INVESTMENTS

The investments consist of cash and marketable securities and are presented in the financial statements at fair value based on quoted prices in active markets (all Level 1 measurements). Market risk could occur and is dependent on the future changes in market prices of the various investments held. Investments consisted of the following as of June 30, 2023:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
1012 Certificates of deposit, 4 months Maturing 7/12/23	\$ 500,000	\$ 499,930	\$ (70)
1405 Edward Jones			
Bonds	50,000	50,005	5
Exchange traded and closed end funds	36,208	97,639	61,431
Mutual funds	527,648	578,760	51,112
1412 Edward Jones mutual funds	70,237	86,287	16,050
1501 Edward Jones mutual funds	44,274	43,088	(1,186)
1515 Edward Jones mutual funds	562,677	552,358	(10,319)
1470 Edward Jones pooled endowment	<u>2,396,521</u>	<u>2,382,655</u>	<u>(13,866)</u>
Total	<u>\$ 4,187,565</u>	<u>\$ 4,290,722</u>	<u>\$ 103,157</u>

The following schedule summarizes the investment return for the year ended June 30, 2023.

	<u>Amount</u>
Interest and dividends	\$ 89,885
Capital gains distributions	59,418
Realized gain (loss) on disposal of investments	20,300
Unrealized gain (loss)	<u>136,843</u>
Net investment income	<u>\$ 306,446</u>

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ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 – DONOR-RESTRICTED ENDOWMENTS

The Foundation's endowment consists of approximately nine individual funds in a common investment pool. The funds are established with donor restrictions for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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 the interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies: The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy: The Foundation has a policy of appropriating for distribution each year an assessment on the three-year rolling average of market value of endowed accounts. The percentage is determined annually and applied annually. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, all of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow, which is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). Foundation practice does not allow for distribution from these underwater accounts.

**ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

NOTE 6 – DONOR-RESTRICTED ENDOWMENTS (Continued)

Endowment asset composition by type of fund as of June 30, 2023 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Donor-restricted endowment funds	\$ -	\$ 2,382,655	\$ 2,382,655

Changes in endowment net assets as of June 30, 2023 are as follow:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ -	\$ 2,242,207	\$ 2,242,207
Contributions	-	4,900	4,900
Investment return, net	-	188,949	188,949
Less amounts appropriated for expenses	<u>-</u>	<u>(53,401)</u>	<u>(53,401)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 2,382,655</u>	<u>\$ 2,382,655</u>

NOTE 7 – CREDIT CARDS PAYABLE

The Foundation utilizes one credit card through KeyBank with a limit of \$12,000. The credit card bears an interest rate of 0% per annum if payments are late. Available credit at June 30, 2023 amounted to \$10,238.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Certain contributions are restricted as to the purpose for which they may be utilized. Failure to utilize the contributions for the purpose intended by the donor could result in the return of contributions.

NOTE 9 – CONCENTRATION IN THE GEOGRAPHIC AREA

The Foundation is supported primarily through contributions from residents of the Albany, Oregon area, thus changes in the economy of the Albany area would possibly impact the amounts of contributions received.

NOTE 10 – RELATED PARTY TRANSACTIONS

Greater Albany Public Schools (GAPS) contributes in kind use of office space at a value of \$3,200 per month, for a total of \$38,400 in the current fiscal year. The Foundation also received a return of unspent grant funds from the 2021-2022 fiscal year in the amount of \$17,953 from GAPS during the current fiscal year.

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**ALBANY PUBLIC SCHOOLS FOUNDATION
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

NOTE 10 – RELATED PARTY TRANSACTIONS (continued)

Board members contribute stock, donations, sponsorships, and auction items on an ongoing basis.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 8, 2024, the date that the financial statements were available to be issued.