

FUND FOR
PORTLAND PUBLIC SCHOOLS

Reviewed Financial Statements

For the Year Ended June 30, 2021



MCDONALD JACOBS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors
Fund for Portland Public Schools

We have reviewed the accompanying financial statements of Fund for Portland Public Schools (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making 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 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 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 American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, 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 accounting principles generally accepted in the United States of America.

Summarized Comparative Information

The June 30, 2020 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated February 25, 2021, but we have not performed any auditing procedures since that date.

McDonald Jacobz, P.C.

Portland, Oregon
September 24, 2021

FUND FOR PORTLAND PUBLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION
June 30, 2021
(With comparative totals for 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 3,211,374	\$ 5,073,461
Contributions receivable	153,062	438,567
Prepaid expenses	-	41,608
 TOTAL ASSETS	 \$ 3,364,436	 \$ 5,553,636
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 69,472	\$ 103,871
Grants payable	2,549,882	3,962,214
Total liabilities	2,619,354	4,066,085
Net assets:		
Without donor restrictions	21,473	51,265
With donor restrictions	723,609	1,436,286
Total net assets	745,082	1,487,551
 TOTAL LIABILITIES AND NET ASSETS	 \$ 3,364,436	 \$ 5,553,636

See independent accountant's review report and notes to the financial statements.

FUND FOR PORTLAND PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
For the year ended June 30, 2021
(With comparative totals for 2020)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Support and revenue:				
Grants and contributions	\$ 92,104	\$ 3,146,177	\$ 3,238,281	\$ 6,137,425
Net assets released from restrictions:				
Satisfaction of time and purpose restrictions	<u>3,858,854</u>	<u>(3,858,854)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,950,958</u>	<u>(712,677)</u>	<u>3,238,281</u>	<u>6,137,425</u>
Expenses:				
Program services	3,871,631	-	3,871,631	4,586,507
Management and general	86,470	-	86,470	41,639
Fundraising	<u>22,649</u>	<u>-</u>	<u>22,649</u>	<u>21,728</u>
Total expenses	<u>3,980,750</u>	<u>-</u>	<u>3,980,750</u>	<u>4,649,874</u>
Change in net assets	(29,792)	(712,677)	(742,469)	1,487,551
Net assets:				
Beginning of year	<u>51,265</u>	<u>1,436,286</u>	<u>1,487,551</u>	<u>-</u>
End of year	<u>\$ 21,473</u>	<u>\$ 723,609</u>	<u>\$ 745,082</u>	<u>\$ 1,487,551</u>

See independent accountant's review report and notes to the financial statements.

FUND FOR PORTLAND PUBLIC SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
 For the year ended June 30, 2021
 (With comparative totals for 2020)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2021 Total</u>	<u>2020 Total</u>
School grants	\$ 2,579,874	\$ -	\$ -	\$ 2,579,874	\$ 4,181,760
Other grants	1,280,738	-	-	1,280,738	349,268
Salaries and related expenses	6,019	36,111	18,056	60,186	46,236
Professional services	-	22,455	-	22,455	47,080
Materials and supplies	-	1,562	3,611	5,173	7,443
Insurance	-	5,094	-	5,094	4,842
Other operating costs	<u>5,000</u>	<u>21,248</u>	<u>982</u>	<u>27,230</u>	<u>13,245</u>
 Total expenses	 <u>\$ 3,871,631</u>	 <u>\$ 86,470</u>	 <u>\$ 22,649</u>	 <u>\$ 3,980,750</u>	 <u>\$ 4,649,874</u>

See independent accountant's review report and notes to the financial statements.

FUND FOR PORTLAND PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2021
(With comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from donors	\$ 3,523,786	\$ 5,698,858
Cash paid for grants	(5,272,944)	(568,814)
Cash paid to employees and suppliers	<u>(112,929)</u>	<u>(56,583)</u>
Net cash flows from operating activities	(1,862,087)	5,073,461
Cash and cash equivalents - beginning of year	<u>5,073,461</u>	<u>-</u>
Cash and cash equivalents - end of year	<u><u>3,211,374</u></u>	<u><u>\$ 5,073,461</u></u>

See independent accountant's review report and notes to the financial statements.

FUND FOR PORTLAND PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

Fund for Portland Public Schools (the Fund) was established in 2019 to actively engage in supporting Oregon's largest school district Portland Public Schools, (PPS), as it accelerates toward its community informed vision, PPS reImagined. This Fund's core function is to create, coordinate, and facilitate public, private, and philanthropic partnerships that foster equitable opportunities and benefits for Portland Public Schools students. The Fund primarily receives support from public and private foundations, businesses, and individuals.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Fund considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Contributions Receivable

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Management believes contributions receivable at June 30, 2021 and 2020 are fully collectible and therefore, an allowance for uncollectible accounts is not deemed necessary. Contributions that are expected to be collected in future years are recorded at the present value of estimated future cash flows, if material to the financial statements. The discounts on those amounts are immaterial to the financial statements.

See independent accountant's review report.

FUND FOR PORTLAND PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

Grants Payable

Unconditional grants are recorded as grants payable when the grant award is approved. Conditional grants with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Grants payable at June 30, 2020 are payable within one year.

Income Tax Status

Fund for Portland Public Schools is a nonprofit corporation exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Fund has no activities subject to unrelated business income tax. The Fund is not a private foundation.

The Fund follows the provisions of *FASB ASC Topic Accounting for Uncertainty in Income Taxes*. Management has evaluated the Fund's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Revenue Recognition

Revenues from grants and contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Fund is notified of the commitment. Bequests are recorded as revenue at the time the Fund has an established right to the bequest and the proceeds are measurable. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related costs, professionals services and other operating costs, which are allocated on the basis of estimates of time and effort.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

See independent accountant's review report.

FUND FOR PORTLAND PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

Summarized Financial Information for 2020

The financial information as of June 30, 2020 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Subsequent Events

The Fund has evaluated all subsequent events through September 24, 2021, the date the financial statements were available to be issued.

2. AVAILABLE RESOURCES AND LIQUIDITY

The Fund regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Fund considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets of the Fund consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,211,374	\$ 5,073,461
Contributions receivable	<u>153,062</u>	<u>438,567</u>
	3,364,436	5,512,028
Less amounts unavailable for general expenditure:		
Grants awarded and not paid	2,549,882	3,962,214
Net assets with donor restrictions	<u>723,609</u>	<u>1,436,286</u>
Financial assets available for general expenditure	<u>\$ 90,945</u>	<u>\$ 113,528</u>

See independent accountant's review report.

FUND FOR PORTLAND PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2021

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable are unsecured and consist of the following at June 30, 2021 and 2020:

	2021	2020
Receivable within one year	\$ 153,062	\$ 402,567
Receivable in two to five years	-	36,000
Total contributions receivable	\$ 153,062	\$ 438,567

4. NET ASSETS WITH EXPIRING DONOR RESTRICTIONS

Net assets with expiring donor restrictions consist of the following at June 30, 2021 and 2020:

	2021	2020
Net assets with expiring donor restrictions:		
School support	\$ 668,086	\$ 1,209,796
Climate Justice	-	45,221
COVID-19 Relief Fund	35,523	147,731
Other restrictions	20,000	33,538
Total net assets with expiring donor restrictions	\$ 723,609	\$ 1,436,286

5. CONCENTRATIONS OF CREDIT RISK

The Fund maintains its cash balances in financial institutions located in Oregon. The balances in each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances in excess of insured limits were approximately \$2,965,000 as of June 30, 2021 and \$4,498,000 as of June 30, 2020..

The Fund's revenues are concentrated with 18% received from one source during the years ended June 30, 2021 and 2020. The Fund's credit risk for contributions receivable at June 30, 2021 is concentrated with 86% of the balance due from two sources (46% from two sources at June 30, 2020).

See independent accountant's review report.

FUND FOR PORTLAND PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2021

6. RELATED PARTY DISCLOSURE

The Fund has established a memorandum of understanding with Portland Public Schools (PPS). The Fund reimbursed PPS for salaries and other expenses paid on the Fund's behalf for the years June 30, 2021 and 2020 of approximately \$46,200 and \$59,000, respectively. The Fund also granted approximately \$3,800,600 and \$3,887,200, respectively, for the years June 30, 2021 and 2020 to PPS. The Fund's ex-officio board members are employed in key management positions with PPS.

7. RESTATEMENT OF NET ASSETS

Net assets were restated to reflect grants awarded June 30, 2020. As a result, beginning net assets were restated as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2020 as previously reported	\$ 123,353	\$ 1,439,198	\$ 1,562,551
Grants awarded	<u>(72,088)</u>	<u>(2,912)</u>	<u>(75,000)</u>
Adjusted balance, June 30, 2020	<u>\$ 51,265</u>	<u>\$1,436,286</u>	<u>\$ 1,487,551</u>

See independent accountant's review report.