

ABILENE EDUCATION FOUNDATION

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

ABILENE EDUCATION FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Abilene Education Foundation:

We have audited the accompanying statements of financial position of **Abilene Education Foundation** (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of **Abilene Education Foundation's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 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 our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Abilene Education Foundation** as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Davis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
July 7, 2011

ABILENE EDUCATION FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

ASSETS	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and cash equivalents	\$ 433,178	\$ 551,215
Contributions receivable	250,000	60,000
CFA endowment earnings receivable	<u>6,999</u>	<u>7,087</u>
Total Current Assets	690,177	618,302
Property and Equipment		
Property and equipment	19,776	18,962
Less: accumulated depreciation	<u>(11,964)</u>	<u>(8,313)</u>
Total Property and Equipment	7,812	10,649
Other Noncurrent Assets		
Deposits	10	10
Funds held in trust by others	<u>28,597</u>	<u>15,317</u>
Total Other Noncurrent Assets	<u>28,607</u>	<u>15,327</u>
 TOTAL ASSETS	 \$ <u><u>726,596</u></u>	 \$ <u><u>644,278</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Scholarship payable	\$ 55,250	\$ 92,250
Payroll liabilities	<u>1,350</u>	<u>1,026</u>
Total Current Liabilities	56,600	93,276
Long-term Liabilities		
Scholarship payable	<u>22,000</u>	<u>107,000</u>
Total Long-Term Liabilities	<u>22,000</u>	<u>107,000</u>
 TOTAL LIABILITIES	 <u>78,600</u>	 <u>200,276</u>
 NET ASSETS		
Unrestricted	133,026	88,836
Temporarily restricted	478,374	333,553
Permanently restricted	<u>36,596</u>	<u>21,613</u>
 TOTAL NET ASSETS	 <u>647,996</u>	 <u>444,002</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>726,596</u></u>	 \$ <u><u>644,278</u></u>

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

ABILENE EDUCATION FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES AND OTHER SUPPORT				
Contributions	\$ 142,357	\$ 666,867	\$ 14,983	\$ 824,207
Investment income	13,655			13,655
Realized and unrealized gains (losses) on investments	2,355			2,355
Net assets released from restrictions	522,046	(522,046)		
Reclassified between temporary and permanent				
TOTAL REVENUES AND OTHER SUPPORT	680,413	144,821	14,983	840,217
EXPENSES				
Grants and distributions	492,552			492,552
Administrative expenses	143,671			143,671
TOTAL EXPENSES	636,223			636,223
CHANGE IN NET ASSETS	44,190	144,821	14,983	203,994
PRIOR PERIOD ADJUSTMENT				
NET ASSETS AT BEGINNING OF YEAR	88,836	333,553	21,613	444,002
NET ASSETS AT END OF YEAR	\$ 133,026	\$ 478,374	\$ 36,596	\$ 647,996

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

2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$	52,764	\$ 261,667	\$ 5,703	\$ 320,134
	17,651			17,651
	2,872			2,872
	113,211	(113,211)		
	<u>186,498</u>	<u>148,456</u>	<u>5,703</u>	<u>340,657</u>
	135,246			135,246
	<u>102,229</u>			<u>102,229</u>
	<u>237,475</u>			<u>237,475</u>
	(50,977)	148,456	5,703	103,182
	40,000	(40,000)		
	<u>99,813</u>	<u>225,097</u>	<u>15,910</u>	<u>340,820</u>
\$	<u><u>88,836</u></u>	<u><u>333,553</u></u>	<u><u>21,613</u></u>	<u><u>444,002</u></u>

ABILENE EDUCATION FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 203,994	\$ 143,182
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	3,651	3,651
(Increase) decrease in:		
Contributions receivable	(190,000)	(44,408)
Endowments receivable	(13,280)	13,531
Other accounts receivable	88	(6,832)
Increase (decrease) in:		
Accrued liabilities	324	(4,140)
Scholarship payable	(122,000)	(210,250)
Net cash (used in) provided by operating activities	(117,223)	(105,266)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(814)	(7,741)
Net cash used in investing activities	(814)	(7,741)
CHANGE IN CASH AND CASH EQUIVALENTS	(118,037)	(113,007)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	551,215	664,222
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 433,178	\$ 551,215

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

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Abilene Education Foundation's (the "AEF" or the "Foundation") significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Organization and Nature of Activities

The Foundation was incorporated on October 10, 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 non-profit 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 of the net income and principle exclusively for the support of 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.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Under this basis of accounting, revenue is recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

The focus of these financial statements is to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of revenues, expenses, gains and losses into three classes of net assets – unrestricted, temporarily restricted or permanently restricted.

Unrestricted net assets – Net assets not subject to donor-imposed stipulations. The AEF reports all resources over which the governing board has discretionary control as unrestricted assets. The Foundation reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the AEF and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations and that may be maintained permanently by the AEF. Gifts that are restricted by the donor to be retained in perpetuity are recorded as changes in permanently restricted net assets. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support.

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation - continued

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Changes in other assets or liabilities are reported as increases or decreases in unrestricted 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, temporarily restricted net assets are reclassified to unrestricted 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 temporarily restricted 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 the temporarily restricted net asset class, and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

The Foundation uses restricted net assets first for contributions received for which both restricted and unrestricted net assets are available.

Use of Estimates

The preparation of financial statements in accordance 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. As a result, actual results may differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits in checking or savings accounts with banks, and money market mutual funds at securities brokerage firms with original maturities of three months or less.

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments

Investments are carried at market value. 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.

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.

Contributions

Under authoritative guidance, the Foundation must record contributions received as unrestricted, temporarily restricted or permanently restricted support depending on the nature of any restrictions made by the donor. Contributions include gifts of cash and promises to give.

Contribution revenue is recognized when donors make pledges to support the Foundation. The majorities of contributions are not receipts of pledges, but are a reflection of the generosity of individuals who make periodic contributions to assist the Foundation in its support. All contributions are recorded at expected fair market value and are expected to be received within 12 months.

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. Therefore, no provision has been made for income taxes in the financial statements.

The Foundation adopted authoritative guidance related to uncertain tax positions on January 1, 2009. The Foundation had no unrecognized tax benefits that would require an adjustment to the January 1, 2009, beginning balance of net assets. The Foundation had no unrecognized tax benefits at December 31, 2010 and 2009.

The Foundation recognizes interest accrued on and penalties related to unrecognized tax benefits in tax expense. During the year ended December 31, 2010, the Foundation recognized no interest and penalties.

The Foundation files income tax returns in the U.S. federal jurisdiction. With few exceptions, the Foundation is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2006.

No contributions were received during 2010 or 2009 that would jeopardize the Foundation's tax-exempt status.

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property, Plant and Equipment

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.

NOTE 2: FUNDRAISING

The Foundation's expenses for fundraising are included in Administrative expenses. A detail of these expenses is presented as follows:

	<u>2010</u>	<u>2009</u>
Fundraising Expenses		
Promotional	\$ 138	\$ 231
Printing costs	1,640	2,057
Credit card fees	1,044	788
Corporate drive		309
Annual letter campaign	2,616	336
10th anniversary event	18,308	2,163
Cajun fest	4,229	
Billboard	<u>500</u>	
 Total Fundraising Expenses	 <u>\$ 28,475</u>	 <u>\$ 5,884</u>

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: SCHOLARSHIPS

AEF awarded scholarships to AISD seniors in years prior to 2010, which were accrued at the date awarded. In 2010 and 2009, \$73,750 and \$131,750, respectively, was distributed. Estimated future payments of scholarships are as follows:

<u>Year</u>		<u>Scholarship Liability</u>
2011	\$	55,250
2012		<u>22,000</u>
Total	\$	<u><u>77,250</u></u>

The net assets of this program were transferred to the COOL program as of December 31, 2010. Any future forfeitures by students will also be added to the COOL program. Such forfeitures are expected to be minimal.

NOTE 4: FUNDS HELD IN TRUST BY OTHERS

Investments held by the AEF as of December 31, 2010 and December 31, 2009 consist of one individual donor restricted endowment fund - the AEF Endowment Fund held at the Community Foundation of Abilene (the "CFA"). These funds are invested in marketable securities at the CFA's discretion. The Board of Trustees of the CFA has the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization, if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable or fulfillment, or inconsistent with the charitable needs of the community served.

Interpretation of Relevant Law

The Foundation, relying on information and advice from legal counsel and appointed officers, has interpreted Uniform Prudent Management of Institutional Funds Act (UPMIFA) to require the preservation of the historic dollar value of donor-restricted endowment funds, absent explicit donor direction to the contrary. As a result of this interpretation, for financial reporting purposes, the Foundation classifies as permanently restricted net assets the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the instructions of the applicable gift instruments. The portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure with the standard of care required by UPMIFA.

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: FUNDS HELD IN TRUST BY OTHERS – continued

Funds held in trust by others consist of the following at December 31, 2010:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Funds held in trust by others	\$ <u>6,972</u>	\$ <u> </u>	\$ <u>21,625</u>	\$ <u>28,597</u>

Funds held in trust by others consist of the following at December 31, 2009:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Funds held in trust by others	\$ <u>4,641</u>	\$ <u> </u>	\$ <u>10,676</u>	\$ <u>15,317</u>

Changes in funds held in trust by others for the year ended December 31, 2010 are as follows:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Funds held in trust by others, December 31, 2009	\$ 4,641	\$	\$ 10,676	\$ 15,317
Investment return:				
Endowment and investment income		508		508
Net realized losses				
Net unrealized gains		2,355		2,355
Contributions			10,949	10,949
Withdrawals and distributions		(387)		(387)
Appropriations for expenditure		<u>(145)</u>		<u>(145)</u>
Funds held in trust by others, December 31, 2010	\$ <u>6,972</u>	\$ <u> </u>	\$ <u>21,625</u>	\$ <u>28,597</u>

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: FUNDS HELD IN TRUST BY OTHERS – continued

Changes in funds held in trust by others for the year ended December 31, 2009 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Funds held in trust by others, December 31, 2008	\$ 2,013	\$	\$ 10,676	\$ 12,689
Investment return:				
Endowment and investment income	129			129
Net unrealized losses				
Net realized gains	2,872			2,872
Contributions				
Withdrawals and distributions	(292)			(292)
Appropriations for expenditure	(81)			(81)
Funds held in trust by others, December 31, 2009	\$ <u>4,641</u>	\$ <u></u>	\$ <u>10,676</u>	\$ <u>15,317</u>

The Foundation is the income beneficiary of a trust (the JJM Fund) held by the Community Foundation of Abilene. The Foundation will receive income from the trust less administrative and investment fees. The Community Foundation of Abilene retains ownership of the principal. At December 31, 2010 and 2009, the total beneficial interest receivable from the trust was \$6,999 and \$7,087, respectively.

This trust agreement has been valued at the discounted present value of expected future cash flows. The expected future cash flows have been discounted at a rate of 5% over an infinite period of time and calculated based upon the current fair value of the trust's assets and other factors stipulated in the agreement. The present value of the expected future cash flows has been reflected as a beneficial interest receivable from the trust agreement in the statements of financial position. The resulting net asset is temporarily restricted due to time. The change in estimated present value is reflected as a change in value of trust agreement in the statements of activities.

Funds with Deficiencies

From time to time, the fair market value of assets associated with individual donor-restricted endowment accounts may fall below the level that the donor or UPMIFA requires the Foundation to retain for perpetuity. Deficiency of this nature would be reported in unrestricted net assets. No individual donor-restricted endowment accounts fell below this threshold for the years ending December 31, 2010 and 2009.

AEF transfers endowment investments received to CFA and abides by policies established by CFA for investments held by that organization.

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: RISKS AND UNCERTAINTIES

The Foundation's investments in the Community Foundation of Abilene consist of a variety of securities that are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such change could materially affect investment amounts reported in the statements of financial position.

The AEF maintains checking and money market cash accounts with financial institutions that are subject to credit risk by the amount such deposits exceed federal deposit insurance limits \$250,000. The Foundation maintains balances at the financial institutions in excess of the insured amount.

The AEF'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 affect the level of contributions received.

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Equipment	\$ 2,722	\$ 2,092
Office equipment	4,304	4,120
Office furniture	5,009	5,009
Technology grant assets	<u>7,741</u>	<u>7,741</u>
	19,776	18,962
Less: accumulated depreciation	<u>(11,964)</u>	<u>(8,313)</u>
Net Property and Equipment	\$ <u>7,812</u>	\$ <u>10,649</u>

Depreciation expense was \$3,651 for the each of the years ended December 31, 2010 and 2009.

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RESTRICTED NET ASSETS

Temporarily restricted funds and permanently restricted funds consisted of the following:

	2010	2009
Temporarily Restricted Assets		
Administrative Overhead Fund	\$ 1,797	\$ 4,951
Abilene COOL Fund	458,429	297,516
Alumni Scholarship Admin Fund	(319)	(73)
GIFT (New Teachers) Fund	80	(50)
Teacher Grant Fund	14,379	22,504
AEF Website Maintenance Fund	2,600	3,423
Young Masters School Fund	1,408	5,282
 Total Temporary Restricted Assets	 \$ 478,374	 \$ 333,553
 Permanently Restricted Assets		
AEF Endowment Fund	\$ 21,625	\$ 10,676
Alumni Scholarship Fund	14,600	10,596
Transportation Endowment Scholarship Fund	371	341
 Total Permanently Restricted Assets	 \$ 36,596	 \$ 21,613

NOTE 8: FAIR VALUE MEASUREMENTS

ASC 820 requires certain disclosures about assets and liabilities measured and reported at fair value and emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier hierarchy to distinguish between various types of inputs used in determining the value of the Foundation's investments and liabilities. The inputs are summarized in three levels as outlined below:

Level 1 Inputs - Quoted prices (unadjusted) in active markets for identical assets and liabilities. Level 1 assets include publicly traded securities and mutual funds. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: FAIR VALUE MEASUREMENTS – continued

Level 2 Inputs - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies as described below. Assets in this category generally include real estate, hedge funds of funds, private equity, and other equity instruments. Liabilities in this category include interest rate swaps and bonds payable subject to interest rate swaps.

Level 3 Inputs - Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. Assets in this category generally include hedge funds of funds, private equity funds, managed long/short funds, privately held stock, other similar assets, and mineral interests. Liabilities in this category include the reserve for charitable trusts and annuities, the asset retirement obligation, and postretirement benefits other than pensions. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management.

The following schedules classify the Foundation's assets and liabilities carried at fair value based upon the three-tier hierarchy required by ASC 820:

	December 31, 2010	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
AEF Endowment Fund	\$ 28,597	\$ 28,597	\$ _____	\$ _____
Total Investments	<u>\$ 28,597</u>	<u>\$ 28,597</u>	<u>\$ _____</u>	<u>\$ _____</u>

	December 31, 2009	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
AEF Endowment Fund	\$ 15,317	\$ 15,317	\$ _____	\$ _____
Total Investments	<u>\$ 15,317</u>	<u>\$ 15,317</u>	<u>\$ _____</u>	<u>\$ _____</u>

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: PROGRAMS

Early College Advanced Placement Incentive Program

The AEF is currently participating in an advisory capacity with the Dodge Jones Foundation and AISD in the Early College Advanced Placement Incentive Program – a ten year multi-million dollar program started in 2002 and underwritten by the Dodge Jones Foundation. The program is designed to enhance the District’s Advanced Placement high school program.

AEF Teacher Grants

The AEF raises money each year to honor outstanding AISD teachers with classroom and instruction grants. These STAR (Supporting Teachers with Academic Resources) 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 of the school year.

The “Giving to First-time Teachers” (GIFT) grant is awarded to AISD employees who are teaching for the first time. Grant funds are for additional classroom materials to enhance those provided by the school district.

AEF COOL Program (College Opportunities for Life)

The Abilene COOL Program began in 2007 and provided two counselors, one on each AISD high school campus, 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 to find scholarships and funds for college. In 2010 and 2009, the program received contributions of \$280,493 and \$203,260 and incurred expenses of \$147,831 and \$122,014, respectively.

AEF Scholarship Programs

The AEF began an Alumni Scholarship Endowment Program in February of 2008. The monies raised for the program will be used to fund an endowment where earnings will be awarded to seniors in AISD in the form of college scholarships. The amount of the scholarships will vary depending on the donations and earnings from investments. The AEF will collect all donations, write all acknowledgements, and administer all scholarships following the guidelines established for past AEF scholarships and all activities to promote the program for a 1% fee of the donations. The remaining funds will be sent to the Community Foundation of Abilene for investment and remain there as a permanent (asset) endowment for future scholarships.

AEF also receives donations for other scholarships.

ABILENE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: PROGRAMS – continued

AEF Young Masters 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. 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.

NOTE 10: IN-KIND CONTRIBUTIONS

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. Three other offices with similar provisions are also provided to the two AEF COOL Program College Advisors and the COOL Program Facilitator. The four offices are located at the AISD Administration Building at One AISD Center, 242 Pine Street, Abilene, TX, 79601. \$6,800 and \$4,050 was included in the financial statements for the years ended December 31, 2010 and 2009, respectively, for the use of these offices. The offices are provided on a month-to-month basis.

NOTE 11: PRIOR PERIOD ADJUSTMENT

At December 31, 2009, scholarship liability and its corresponding expense were understated by \$40,000. This correction is reflected in the Statement of Financial Position and Statement of Activities for December 31, 2009 as presented.

NOTE 12: SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through July 7, 2011, the date the financial statements were available to be issued.