GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

All Hands Raised

Financial Statements and Other Information
as of and for the Year Ended June 30, 2020
and Report of Independent Accountants

TABLE OF CONTENTS

Management Discussion and Analysis

We are pleased to share the attached audited financial statements for All Hands Raised for the year ended June 30, 2020. The organization continues to operate from a financially healthy position. The results outlined in these financial statements reflect a strong commitment by the Board of Directors and the staff to deliver on our mission to champion education, equity and excellence.

With an acute focus on education equity, All Hands Raised brings together teachers, counselors, principals, social workers and case managers with leaders from education, non-profit, business and government entities to ensure the success of every child in Multnomah County, from cradle to career. To do this, All Hands Raised manages a new framework to improve the often disconnected entities that support our children and youth. All of this with the sole focus of improving educational outcomes for more than 220,000 children and youth, ages 0–24, especially those we have chronically failed—kids of color and kids living in poverty.

The 2019-2020 fiscal year was a year of transition for All Hands Raised. The first transition was the hiring of a new Chief Executive Officer who joined the organization in July 2019. The new Chief Executive Officer brings to All Hands Raised an extensive public education background, deep community roots, grounding in our systemic and data-driven approach to address education inequities through systemic changes and an unwavering commitment to putting students front and center.

The second major transition occurring during this fiscal year is related to the handoff of the Portland Public School Foundation (PPSF) program to the newly created fundraising arm of Portland Public Schools—the Fund for PPS. Previously, the revenue reflected in previous audited financial statements incorporated the amount that All Hands Raised managed and stewarded for Portland Public School parents along with AHR operating revenue. Annually, all of the PPSF program revenue was transferred to PPS, as All Hands Raised subsidized this work by not charging an administrative fee. For the first time in 25 years, these audited financial statements do not contain PPSF program revenue due to the program transfer to the Fund for PPS and, as such, the audits reflects AHR's financial position, which remains strong.

The last transition was one shared globally across all sectors—continuing to work during the ongoing COVID pandemic. All Hands Raised adjusted quickly to mitigate the spread of the virus and continue to do our work remotely. We are relentless in maintaining a focus on delivering outcomes that are critically important to student success. The last quarter of the FY 2019-20 under audit reflects the "new normal" for All Hands Raised in doing our work remotely.

The following represent a few other milestones that occurred during this fiscal period and contributed positively to our shared efforts:

- All Hands Raised manages a strong leadership structure that brings senior community leaders together regularly to support the work on the ground where systemic practices must improve. We focus on using data to determine systemic change, emphasize relationships, collective impact that leads to action, shared learning, and conflict resolution. We collaborate with seven Multnomah County school districts, higher education institutions and community partners to help school community teams at 22 sites identify tangible practices and interventions that create measurable improvements for students.

- The 25th annual event, “Party with a Purpose” was held in February 20, 2020. Through the hard work of Board members, the signature event realized excellent corporate sponsorship, individual commitments and in-kind support resulting in $ 540,000 raised of unrestricted revenue in a single night.

- We are proud to be one of the most community focused and diversely funded cradle-to-career organizations of the nation’s 70 cradle-to-career sites in the national StriveTogether Cradle to Career Network, with nearly 700 unique donors.

We know that our work has an impact on improving educational outcomes for children, youth and young adults in Multnomah County, as well as on keeping leaders and practitioners engaged in, and committed to, building an improved system for our kids. These financial statements reflect our commitment to ensuring that the work of the organization is impactful, sustainable and healthy. We look forward to sharing our progress and impact in future audits.

Sincerely,

Felicia Tripp, AHR Board Chair

Lavert Robertson, Chief Executive Officer

Report of the Audit Committee

The financial statements and other information contained in this report have been prepared by management, which is responsible for the information's integrity and objectivity. The financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and are deemed to present fairly the financial position of ALL HANDS RAISED and the changes in its net assets and cash flows. Where necessary, management has made informed judgments and estimates of the outcome of events and transactions, with due consideration given to materiality.

As a means of fulfilling its responsibility for the integrity of financial information included in this report, management relies on a system of internal controls established to ensure, within reasonable limits, that assets are safeguarded against loss or unauthorized use, that transactions are properly recorded and executed in accordance with management's authorization, and that the accounting records can be relied upon to prepare financial statements in accordance with generally accepted accounting principles. This system is augmented by careful selection and training of qualified personnel and the dissemination of written policies and procedures.

The financial statements have been examined by the organization's independent accountants, GARY MCGEE & CO. LLP, whose report follows. Their examinations were made in accordance with generally accepted auditing standards. The Board of Directors meets periodically with management and the independent accountants to review accounting, auditing, internal accounting controls, and financial reporting matters, and to ensure that all responsibilities are fulfilled with regard to the objectivity and integrity of the organization's financial statements. The Board of Directors also reviews the scope and results of the organization's audit, and current and emerging accounting and financial requirements and practices affecting the organization.

Jonathan Blasher
Audit Committee Chair

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
All Hands Raised:

We have audited the accompanying financial statements of All Hands Raised, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of All Hands Raised as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

1000 S.W. Broadway, Suite 1200 Portland, Oregon 97205 p: 503 222 2515 f: 503 222 6401 www.garymcgee.com

Summarized Comparative Information

We have previously audited All Hands Raised's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 17, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gary McGee & Co. LLP

October 10, 2020

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

(WITH COMPARATIVE AMOUNTS FOR 2019)

	2020	2019
Assets:		
Cash and cash equivalents	$ 1,134,751	4,662,274
Contributions receivable *(note 5)*	275,850	176,070
Prepaid expenses and other assets	24,818	15,605
Beneficial interest in assets held by the Oregon Community Foundation *(note 6)*	79,177	82,938
Beneficial interest in a charitable remainder trust *(note 7)*	110,025	117,776
Property and equipment *(note 8)*	6,456	8,965
Total assets	$ 1,631,077	5,063,628
Liabilities:		
Accounts payable and accrued expenses	83,962	120,200
Transfer payable to the Fund for Portland Public Schools *(note 2)*	110,025	–
Grants payable to the Portland Public School District	–	2,775,922
Funds held on behalf of others	3,533	–
Note payable *(note 9)*	242,598	–
Total liabilities	440,118	2,896,122
Net assets:		
Without donor restrictions *(note 11)*	755,783	671,849
With donor restrictions *(note 12)*	435,176	1,495,657
Total net assets	1,190,959	2,167,506
Commitments *(notes 10, 17 and 18)*		
Total liabilities and net assets	$ 1,631,077	5,063,628

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020			
	Without donor restrictions	**With donor restrictions**	**Total**	**2019**
Revenues, gains, and other support:				
Private contributions and grants *(note 14)*	$ 763,810	532,700	1,296,510	944,807
Government grants	194,946	–	194,946	202,141
In-kind contributions	52,505	–	52,505	81,654
Special events	617,275	–	617,275	669,728
Net change in the beneficial interest of assets held by the Oregon Community Foundation (*note* 6)	–	(316)	(316)	4,919
Other	1,800	–	1,800	3,449
Total revenues and gains	1,630,336	532,384	2,162,720	1,906,698
Net assets released from restrictions *(note 15)*	341,139	(341,139)	–	–
Total revenues, gains, and other support	1,971,475	191,245	2,162,720	1,906,698
Expenses *(note 16)***:**				
Program services	960,358	–	960,358	1,267,272
Administration	441,576	–	441,576	315,459
Financial development	485,607	–	485,607	409,826
Total expenses	1,887,541	–	1,887,541	1,992,557
Net operating results from continuing operations	83,934	191,245	275,179	(85,859)
Non-operating transactions:				
Net operating results from discontinued operations *(note 3)*	–	(7,751)	(7,751)	(39,000)
Spin-off and transfer of restricted net assets to the Fund for Portland Public Schools *(note 2)*	–	(1,243,975)	(1,243,975)	–
Total non-operating transactions	–	(1,251,726)	(1,251,726)	(39,000)
Increase (decrease) in net assets	83,934	(1,060,481)	(976,547)	(124,859)
Net assets at beginning of year	671,849	1,495,657	2,167,506	2,292,365
Net assets at end of year	$ 755,783	435,176	1,190,959	2,167,506

See accompanying notes to financial statements.

ALL HANDS RAISED

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR 2019)

	2020				
	Program services	Admini-stration	Financial development	Total	2019
Salaries and related costs	$ 697,126	332,512	191,399	1,221,037	1,262,633
Catering and hospitality	12,923	157	52,747	65,827	62,728
Meeting and event rentals	771	–	45,051	45,822	46,005
Professional services	22,361	62,986	14,828	100,175	81,202
Office supplies	13,882	1,136	24,170	39,188	80,327
Outside services	96,289	–	19,800	116,089	138,111
Occupancy	52,095	25,488	14,165	91,748	78,592
Bank, merchant and other fees	–	2,385	6,120	8,505	6,675
Printing and copying	17,180	4,694	8,785	30,659	34,887
Travel	6,002	356	4,797	11,155	17,132
Design and photography	12,871	–	62,690	75,561	90,650
Depreciation	2,986	1,461	812	5,259	9,901
Insurance	5,467	2,674	1,486	9,627	8,971
Conferences	11,078	144	264	11,486	18,882
Partnership stewardship	–	–	5,863	5,863	10,319
Advertising and branding	150	535	26,598	27,283	18,652
Other	9,177	7,048	6,032	22,257	26,890
Total expenses	$ 960,358	441,576	485,607	1,887,541	1,992,557

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020	2019
Cash flows from operating activities:		
Cash received from grantors, contributors and other sources	$ 1,936,764	6,548,342
Distributions received from assets held by the Oregon Community Foundation *(note 4)*	3,445	3,411
Grants paid to the Portland Public School District	(2,775,922)	(4,444,233)
Cash paid to employees and suppliers	(1,797,708)	(2,322,072)
Transfer of restricted cash to the Fund for Portland Public Schools *(note 2)*	(1,133,950)	–
Net cash used in operating activities	(3,767,371)	(214,552)
Cash flows from investing activities:		
Capital expenditures	(2,750)	(3,137)
Net cash used in investing activities	(2,750)	(3,137)
Cash flows from financing activities:		
Proceeds from note payable (*note 8*)	242,598	–
Net cash provided by financing activities	242,598	–
Net decrease in cash and cash equivalents	(3,527,523)	(217,689)
Cash and cash equivalents at beginning of year	4,662,274	4,879,963
Cash and cash equivalents at end of year	$ 1,134,751	4,662,274

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Organization

All Hands Raised is an independent, community-based organization formed in 1994 to meet the most urgent educational needs of kids in Portland, Oregon. The organization was initially established as the Portland Public Schools Foundation to manage the PPS Equity Fund and to steward the local school foundations led by parents who fundraised for their respective schools.

All Hands Raised is a nonprofit corporation organized in accordance with the laws of the State of Oregon and managed by a volunteer Board of Directors.

In November of 2010, the organization was endorsed as the managing entity for the adaptation of a “cradle to career” initiative in Portland and Multnomah County, and formed a collaborative action network – the “All Hands Raised Partnership.” The Partnership’s mission championed racial equity in the educational system and mobilized community resources to advance systems change for students of color to achieve their full potential from cradle to career. As such, in October of 2012, the organization changed its name from the Portland Public Schools Foundation to All Hands Raised, to reflect this new initiative and focus for the organization.

In the years that followed, the organization has continued to increase its work ensuring equity and excellence from cradle to career by mobilizing leadership, ideas, resources, and community action. These programmatic initiatives were achieved as the organization also continued to perform its work supporting local school foundations through its role as the Portland Public Schools Foundation (the “PPSF program”). This supporting role, which included the administration and management of the Portland Public Schools’ local school foundations’ fundraising efforts, was performed at no additional cost to the Portland Public School District or to the local school foundations.

As All Hands Raised increased its focus on its role as a backbone to the cradle to career initiative, it explored the efficacy of continuing to manage the PPSF program – a program that didn’t have a role in the cradle to career initiative. The Board of Directors discussed whether the PPSF program continued to meet the new mission of All Hands Raised. These discussions let to a decision to spin off the PPSF program to a newly formed, separate and independently governed nonprofit entity – the Fund for Portland Public Schools. Accordingly, effective July 1, 2019, All Hands Raised ended its management of the PPSF program and formally spun off all remaining program assets and activities to the Fund for Portland Public Schools. (See notes 2 and 3 for further discussion.)

All Hands Raised now has the sole focus of working to ensure equity and excellence by linking the many people, programs and conversation, improvise practices, and increase collaboration.

2. Spin-off of the Portland Public Schools Foundation

Effective July 1, 2019, All Hands Raised completed the spin-off of the PPSF program and all related business and activities, with the contribution and transfer of the program’s remaining assets to the Fund for Portland Public Schools, a separate, independently governed nonprofit entity, as follows:

Cash – restricted contributions	$ 1,133,950
Transfer payable [1]	110,025
	$ 1,243,975

[1] As part of the spin-off, All Hands Raised also recorded a payable associated with the transfer of a beneficial interest in a charitable remainder unitrust established to benefit Benson High School. See note 7. As of June 30, 2020, the legal transfer of the beneficial interest was still in process.

3. Discontinued Operations

The spun-off PPSF program is presented in the accompanying statement of activities as discontinued operations for all periods presented. The program's balance sheet, functional expenses, and cash flows are included within All Hands Raised's statements of financial position, functional expenses, and cash flows through July 1, 2019.

Summary results of operations for the spun-off PPSF program included in the net operating results from discontinued operations were as follows:

		2020	2019
Revenues:			
Private contributions and grants	$	–	65,312
Contributions by local school foundations		–	4,548,373
Contribution of a charitable remainder unitrust		–	119,792
Net change in the carrying value of the charitable remainder unitrust		(7,751)	(2,016)
Total revenues		(7,751)	4,731,461
Expenses:			
Grants awarded		–	(4,302,927)
Local school foundation administrative expenses		–	(163,424)
Local school foundation fundraising expenses		–	(304,110)
Total expenses		–	(4,770,461)
Net operating results from discontinued operations	$	(7,751)	(39,000)

4. Summary of Significant Accounting Policies

The significant accounting policies followed by the organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the organization's 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-imposed stipulations. From time to time, the organization's Board of Directors may designate a portion of these net assets for particular purposes and objectives.

- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of the organization and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor. The balances also include net assets subject to donor-imposed stipulations that they be maintained permanently by the organization (e.g., endowment funds). Generally, the donors of these assets permit All Hands Raised to use all or part of the income earned on related investments for general or specific purposes.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

The organization's prior period statement of activities and related disclosures have been recast to present the results of the spin-off the PPSF program as discontinued operations (see note 3 for further discussion).

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. In the opinion of management, such differences, if any, would not be significant.

Cash Equivalents – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Capital Assets and Depreciation – Property and equipment are carried at cost when purchased, and initially at fair value when acquired by gift. Purchases of capital assets having a unit cost exceeding $750 or more and an estimated useful life of more than one year are capitalized and carried at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally three to ten years for furniture and office equipment and five to ten years for leasehold improvements, or the term of the lease, if shorter.

Revenue Recognition – With regard to revenues from grants and contracts, the organization evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.

- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor's commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised.

Contributions and grants receivable are reported net of an allowance for estimated uncollectible promises. Promises to give are written off when deemed uncollectible.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets restricted to the acquisition of capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets, in accordance with donor intent.

In-Kind Contributions – A number of unpaid volunteers have made significant contributions of their time to develop and implement the organization's programs. Under generally accepted accounting principles, significant services received which create or enhance a non-financial asset or require specialized skills that All Hands Raised would have purchased if not donated are recognized in the statement of activities.

In-kind contributions of land, buildings, equipment, and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the organization's activities.

During the year ended June 30, 2020, the organization recorded in-kind contributions representing $52,505 in contributed services. In addition, the organization reported $78,153 in in-kind contributions associated with special fundraising events.

Benefits Provided by Donors at Special Events – The organization conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by participants at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the organization.

Grants Awarded – Grants are accrued when awarded by the organization and unconditional. Grants are provided from available resources and in accordance with restrictions imposed by donors.

Advertising and Promotional Expenses – Advertising and promotional costs are charged to expense as they are incurred. During the year ended June 30, 2020, the organization incurred $27,283 in advertising and branding expenses.

Concentrations of Credit Risk – The organization's financial instruments consist primarily of cash equivalents, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation ("FDIC").

The organization's beneficial interest in funds held by the OCF is dependent upon changes in the fair values of the underlying investments and the ability of the OCF to honor its commitment.

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to $250,000 for each depositor, for each insured bank, for each account ownership category. As of June 30, 2020, the organization held $893,681 in excess of FDIC-insured limits.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the organization's management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Income Taxes – The organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. All Hands Raised derives its public charity status as an organization described in Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code.

Subsequent Events – Subsequent events have been evaluated by management through October 10, 2020, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2019 – The accompanying financial information as of and for the year ended June 30, 2019 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

5. Contributions Receivable

Contributions receivable consist of unconditional promises are summarized as follows at June 30, 2020:

Unconditional promises expected to be collected in:		
Less than one year	$	225,850
One year to five years		50,000
	$	275,850

Conditional Grant

At June 30, 2020, the organization held an additional grant in the amount of $50,000, the receipt of which was conditioned upon meeting the certain program benchmarks. Accordingly, the amount has not yet been reflected in the accompanying financial statements because the associated condition had not been satisfied as of June 30, 2020.

6. Beneficial Interest in Assets Held by the Oregon Community Foundation

At June 30, 2020, the organization's endowment assets, totaling $79,177, are held by the Oregon Community Foundation ("OCF"). Under the terms of its agreement with OCF, the funds are invested at the discretion of OCF and held in a mixture of asset classes designed to maximize return while minimizing risk. The organization generally receives quarterly distributions of investment return in accordance with OCF's spending policies (currently 4.35% of a trailing 13-quarter market value average). Additional distributions can be made at any time by the affirmative vote of the majority of the organization's Board of Directors and the approval of OCF. During the year ended June 30, 2020, a distribution was made to the organization totaling $3,445.

The organization accounts for its interest in these funds using the equity method of accounting, which approximates the present value of the estimated expected future cash flow that will inure to the organization in the future. Management's estimate of fair value is based solely upon information provided by OCF.

Changes in the organization's beneficial interest in the assets held by OCF for the year ended June 30, 2020 are summarized as follows:

Balance at beginning of year	$	82,938
Net change in the beneficial interest in assets held by OCF		(316)
Distribution of investment return on assets held by OCF		(3,445)
Balance at end of year	$	79,177

7. Beneficial Interest in Charitable Remainder Unitrust

The organization is the beneficiary of an irrevocable charitable remainder unitrust, restricted to benefit Benson High School. Upon the deaths of the income beneficiaries, All Hands Raised will receive 25% of the remaining assets of the charitable remainder unitrust. Total trust assets at June 30, 2020 are valued at $1,048,428, of which $262,107 represents All Hands Raised's share. A beneficial interest in the charitable remainder unitrust of $110,025 is recorded at June 30, 2020, representing the actuarially-determined present value of the estimated future cash flows that will inure to the organization, using a discount rate of 5.8%.

Changes in the organization's beneficial interest in the charitable remainder unitrust for the year ended June 30, 2020 are summarized as follows:

Balance at beginning of year	$	117,776
Net change in beneficial interest		(7,751)
Balance at end of year	$	110,025

8. Property and Equipment

A summary of property and equipment at June 30, 2020 is as follows:

Furniture and office equipment	$	152,335
Leasehold improvements		36,934
		189,269
Less accumulated depreciation		(182,813)
	$	6,456

9. Note Payable

On May 3, 2020, All Hands Raised was granted an unsecured loan from a commercial bank in the amount of $242,598, pursuant to the PPP under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The bank's loan is guaranteed by the U.S. Small Business Administration ("SBA"), and is designed to provide a direct incentive for organization and other small businesses and nonprofits to keep their employees on payroll during the COVID-19 pandemic. The SBA has promised to forgive the loan if all employees are kept on the payroll during the "covered period" (either 8 weeks or 24 weeks from the loan disbursement date) and if the funds are used for payroll, rent, mortgage interest, and/or utilities, and certain other conditions are met. However, the amount of loan forgiveness will be reduced if less than 60% of the funds are spent on payroll over a loan forgiveness period.

The loan matures in May of 2022, and bears interest at a rate of 1.0% per annum, payable monthly beginning in November 2020. However, pursuant to the Paycheck Protection Flexibility Act of 2020, the deferral period for loan payments has been extended to either (1) the date that SBA remits the borrower's loan forgiveness amount to the lender, or (2) if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period.

The note may be prepaid by the organization at any time prior to maturity with no prepayment penalties.

In accordance with the provisions of the PPP and SBA's promise of forgiveness, All Hands Raised intends to use the majority of loan amount for the qualifying expenses and anticipates obtaining full forgiveness of the loan.

10. Line of Credit

At June 30, 2020, the organization maintained an unsecured credit line with Wells Fargo through a MasterCard access card valued at $100,000, with annual interest calculated on the outstanding balance at 10.0%. Unlike a traditional revolving line of credit, cash advance fees are charged when the line is used over the counter or at an automated teller machine, and monthly minimum payments are required on all outstanding balances. No balance was outstanding at June 30, 2020.

11. Net Assets without Donor Restrictions

The following summarizes All Hands Raised's net assets without donor restrictions as of June 30, 2020:

Available for programs and general operations	$	349,327
Board-designated operating reserve		400,000
Net investment in capital assets		6,456
	$	755,783

12. Net Assets with Donor Restrictions

The following summarizes All Hands Raised's net assets with donor-imposed restrictions as of June 30, 2020:

Expendable net assets restricted for the following purposes:		
Capacity Building Support	$	21,000
Expendable net assets unrestricted as to purpose, but restricted as to time:		
Pledges to benefit general operations in future periods		220,000
Cash received to benefit general operations in future periods		114,999
		334,999
Endowment funds, unrestricted as to purpose *(note 13)*		79,177
	$	435,176

13. Endowment

All Hands Raised's endowment consists solely of donor-restricted endowment funds and earnings on those funds. As required by generally accepted accounting principles, net assets associated with endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

The following summarizes the organization's endowment-related activities for the year ended June 30, 2020:

	With donor restrictions		
	Accumulated endowment return	Endowment principal	Total endowment
Endowment net assets at June 30, 2019	$ 15,349	67,589	82,938
Net change in the beneficial interest in net assets held by the Oregon Community Foundation	(316)	–	(316)
Distribution of investment return on assets held by the Oregon Community Foundation	(3,445)	–	(3,445)
Endowment net assets at June 30, 2020	$ 11,588	67,589	79,177

Continued

Interpretation of Relevant Law – The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") governs Oregon charitable institutions with respect to the management, investment and expenditure of donor-restricted endowment funds.

The organization's Board of Directors has interpreted Oregon's adoption of UPMIFA as requiring the organization to adopt investment and spending policies that are designed to preserve the fair value of the original gift as of the date of gift, absent explicit donor stipulations to the contrary. Although All Hands Raised has a long-term fiduciary duty to the donor (and to others) for a fund of perpetual duration, the preservation of the endowment's purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment's original gift may be appropriated for expenditure in support of the restricted purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, All Hands Raised classifies as endowment principal (1) the original value of endowment gifts, (2) subsequent gifts to the endowment, and (3) accumulations to the endowment made pursuant to the direction of the applicable donor gift instrument.
Net earnings (realized and unrealized) on the investment of endowment assets are classified as accumulated endowment return until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA and until expended in a manner consistent with the purpose or time restrictions, if any, imposed by the donor. Any investment return classified as endowment principal represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce accumulated endowment return to the extent that donor-imposed restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces endowment principal.

Endowments with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires All Hands Raised to retain as a fund of perpetual duration. In addition, the Board of Directors interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law, and the School has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater.

Investment and Spending Policies – In accordance with UPMIFA, the organization's Board of Directors has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs and operations supported by its endowment, while also seeking to maintain the long-term purchasing power of the endowment assets. Therefore, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the organization and the fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the organization; and
- The investment policies of the organization.

To meet its objective, the organization has placed its endowment funds with the Oregon Community Foundation and follows OCF's policies regarding the limitation of the spending of investment income and appreciation to 4.35% of the average fair value of such investments measured over a three-year trailing average at June 30 of each year. Actual endowment return earned in excess of distributions under this policy is reinvested as part of OCF's endowment management. For years where actual endowment return is less than distributions under the policy, the short-fall is covered by realized and unrealized returns from prior years.

Actual endowment return earned in excess of distributions under this policy is reinvested as part of the organization's endowment management and is reported as a non-operating item in the accompanying statement of activities. For years where actual endowment return is less than distributions under the policy, the short-fall is covered by realized and unrealized returns from prior years. If cumulative endowment return is exhausted, any remaining loss or appropriation reduces endowment principal. In years where the overall endowment is underwater, the Board may permit continued spending from principal only in accordance with its policies for spending from underwater endowments. See *Endowments with Deficiencies*.

During the year ended June 30, 2020, the Board's appropriation of endowment assets totaled $3,445. See note 4.

14. Private Contributions and Grants

The following summarizes private contributions and grants for the year ended June 30, 2020:

Foundations	$ 969,211
Businesses, including employer-matching gifts	289,409
Individuals	37,890
	$ 1,296,510

15. Net Assets Released from Restrictions

During the year ended June 30, 2020, the organization incurred expenses totaling $1,585,114 in satisfaction of the restricted purposes, or by the occurrence of other events, specified by donors.

16. Expenses

The costs of providing the various programs and activities of All Hands Raised have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization, and therefore require allocation on a reasonable basis that is consistently applied. Those expenses include depreciation, and other facility-related costs, as well as salaries and wages, benefits, payroll taxes, outside services, office expenses, insurance, and other expenses, which are allocated on the basis of estimates of time and effort in each area as follows:

- *Program initiatives* – Program-related expenses, representing the management of the Cradle-to-Career partnership, and the non-grant costs of fulfilling various charitable purposes ascribed to gifts by organization donors.

- *Supporting services* – Organization administrative and fundraising expenses pertaining to the general charitable purposes and activities of the organization.

17. Retirement Plan

The organization provides management and staff who are eligible for benefits and employed more than 20 hours each week with a tax sheltered plan, as described under Section 403(b) of the Internal Revenue Code. All eligible employees may make voluntary contributions to the plan on a pre-tax basis, up to the limits allowed by law. The organization makes discretionary contributions to the plan. Contributions to the plan vest as accrued. The organization made contributions totaling $8,141 to the plan during the year ended June 30, 2020.

18. Operating Lease Commitments

The organization leases its facilities and certain office equipment under noncancellable operating leases. These leases expire in various years through March of 2024. The approximate minimum rental commitments for all of the above are as follows:

Years ending June 30,		
2021	$	62,170
2022		15,120
2023		15,120
2024		15,027
	$	107,437

Subsequent to year-end, All Hands Raised entered into an agreement to extend its facility lease through December of 2023. Minimum future lease payments of $293,873 are due under this extended lease agreement.

Total rent expenses for facilities and office equipment for the year ended June 30, 2020 were approximately $103,687.

19. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following at June 30, 2020:

Total financial assets available:	
Cash and cash equivalents	$ 1,134,751
Contributions receivable	275,850
	1,410,601
Less financial assets not available within the year ending June 30, 2021:	
Long term contribution receivable	(50,000)
Plus funds subject to appropriation for expenditure:	
Fiscal year 2021 endowment appropriations for operations	1,739
	$ 1,362,340

As part of its liquidity management, All Hands Raised has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. To help manage unanticipated liquidity needs, it also has a committed line of credit upon which it could draw (see note 9).

20. Fair Value Measurements

Included in the accompanying financial statements are certain financial instruments carried at fair value. The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale; similarly, the fair value of a liability is the amount at which the liability could be transferred in a current transaction between willing parties. Fair values are based on quoted market prices when available.

When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality.

All financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined under generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities and the lowest ranking to fair values determined using methodologies and models with unobservable inputs, as follows:

- *Level 1* – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- *Level 2* – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
- *Level 3* – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date. Accordingly, this category includes the organization's beneficial interests in assets held by OCF and similar portfolios where it does not have direct investment authority and where its financial interests do not trade in public markets.

At June 30, 2020, the following financial assets are considered to be Level 3 financial instruments:

Beneficial interest in assets held held by the Oregon Community Foundation	$	79,177
Beneficial interest in charitable remainder unitrust		110,025
	$	189,202

See notes 6 and 7, respectively, for summaries of the beneficial interest in assets held by OCF and the beneficial interest in a charitable remainder unitrust and associated activities for the year ended June 30, 2020.

21. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the decrease in net assets (as reported on the statement of activities) to net cash used in operating activities (as reported on the statement of cash flows):

Decrease in net assets	$ (976,547)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	5,259
Net change in beneficial interest in assets held by the Oregon Community Foundation *(note 4)*	3,761
Net change in beneficial interest in the charitable reminder unitrust *(note 5)*	7,751
Net changes in:	
Contributions receivable	(99,780)
Prepaid expenses and other assets	(9,213)
Accounts payable and accrued expenses	(36,238)
Transfer payable to the Fund for Portland Public Schools	110,025
Grants payable to the Portland Public School District	(2,775,922)
Funds held on behalf of others	3,533
Total adjustments	(2,790,824)
Net cash used in operating activities	$ (3,767,371)

22. Coronavirus Pandemic

In December of 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China, and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including Oregon, have declared a public health state of emergency, ordering the public to stay at home, closing specified businesses, and requiring social distancing measures for most public and private facilities. The immediate effect of these measures on the organization has included the postponement of in-person events and activities and the decision to host certain future events virtually.

It is anticipated that the effects of these events will continue for some time, including continuing disruptions to, or restrictions on, our employees' ability to work and on the ability of our patrons, customers and other constituents to fully participate in our programs and continue their current level of financial support to the organization. Future financial impacts on the organization are not readily determinable.

■

GOVERNING BOARD AND MANAGEMENT

Board of Directors 2019 to 2020

Mo King, *Chair*
Global Business Development Director
Nike Golf

Trever Cartwright, *Immediate Past Chair*
Founding Partner
Coraggio Group

Felicia Tripp, *Vice Chair*
Executive Director
Empowering Leaders
The Contingent

Larry Bekkedahl, *Treasurer*
Vice President of Transmission and Distribution
Portland General Electric

Jonathan Blasher
Director of Parks and Nature
Metro

Michael Burch
Pacific Northwest Regional Council of Carpenters

Andrea Cook
President
Warner Pacific University

Emi Donis
General Counsel
Senior Aerospace SSP

John Gardner
Director, Diversity & Transit Equity
TriMet

Whitney Grubbs
Executive Director
Chalkboard Project

Lenin Jimenez
Home Equity Investments

Travis Merrill
Community Advocate

Cole Mills
Financial Planner
Bridgetown Wealth Management

Andrew Ognall
Executive Vice President, General Counsel and Corporate Secretary
Umpqua Bank

Andrew Over
Regional Market Vice President
Regence BlueShield

June Schumann
Founder
Nikkei Legacy Center

Karis Stoudamire-Phillips
Director, Corporate Social Responsibility
Moda Health

Jeff Strickler
Chief Operating Officer
Education Northwest

Jahed Sukhun
Director of IT
Oregon Food Bank

Legal Counsel

Ed Harnden
Barran Liebman, LLP

Management

Lavert Robertson
Chief Executive Officer

Steffeni Mendoza Gray
Vice President, Operations

Claire Verity
Interim Vice President, Strategic Engagement and Communication

Jeanine Fukuda
Vice President, Impact & Improvement

INQUIRIES AND OTHER INFORMATION

Administrative offices
ALL HANDS RAISED
2069 N.E. Hoyt Street
Portland, Oregon 97232

(503) 234-5404
(503) 234-5402 Fax

Web
www.allhandsraised.org