

TORREY PINES HIGH SCHOOL FOUNDATION  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6 - 13

# Gregory V. Villard

CERTIFIED PUBLIC ACCOUNTANT

7844 LA MESA BOULEVARD  
LA MESA, CA 91942  
619-589-5472  
619-589-5245 – FAX  
info@gregvillardcpa.com

## INDEPENDENT AUDITOR'S REPORT

Board of Directors and Members  
Torrey Pines High School Foundation

### Opinion

I have audited the accompanying financial statements of Torrey Pines High School Foundation, which comprise the statement of financial position as of June 30, 2021, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Torrey Pines High School Foundation as of June 30, 2021, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Torrey Pines High School Foundation and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

*Gregory V. Villard*  
La Mesa, California  
February 18, 2022

TORREY PINES HIGH SCHOOL FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021

**ASSETS**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Current Assets:</b>			
Cash & Cash Equivalents	\$ 376,042	\$ 994,865	\$ 1,370,907
Accounts Receivables	5,425	-	5,425
Prepaid Expenses	12,740	-	12,740
Total Current Assets	394,207	994,865	1,389,072
<b>Noncurrent Assets</b>			
Endowments-Investments	-	216,057	216,057
Total Noncurrent Assets	-	216,057	216,057
Total Assets	<u>\$ 394,207</u>	<u>\$ 1,210,922</u>	<u>\$ 1,605,129</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>			
Accounts Payable and Accrued Expenses	\$ -	\$ 19,131	\$ 19,131
Credit Cards Payable	11,317	9,640	20,957
Deferred Revenue	13,887	70,930	84,817
Accrued Payroll Liabilities	18,177	-	18,177
Total Current Liabilities	43,381	99,701	143,082
Total Liabilities	43,381	99,701	143,082
<b>Net Assets</b>			
Without Donor Restrictions	350,826	-	350,826
With Donor Restrictions	-	1,111,221	1,111,221
Total Net Assets	350,826	1,111,221	1,462,047
Total Liabilities and Net Assets	<u>\$ 394,207</u>	<u>\$ 1,210,922</u>	<u>\$ 1,605,129</u>

See accompanying notes and independent auditor's report.



TORREY PINES HIGH SCHOOL FOUNDATION  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT AND REVENUE</b>			
Extracurricular Program Contributions	\$ -	\$ 709,761	\$ 709,761
Special Events & Fundraising	246,055	-	246,055
Other Earned Revenue	35,885	26,205	62,090
In-Kind Contributions	20,280	28,712	48,992
Dividends & Interest	3,351	-	3,351
Net Investment Return	37,979	8,095	46,074
Net Assets Released From Restrictions (Note 3)	808,918	(808,918)	-
	<u>1,152,468</u>	<u>(36,145)</u>	<u>1,116,323</u>
Total Support Revenue and Gains			
<b>EXPENSES</b>			
Programs Services	790,581	-	790,581
Supporting Services	280,637	-	280,637
	<u>1,071,218</u>	<u>-</u>	<u>1,071,218</u>
Total Expenses			
Change in Net Assets	81,250	(36,145)	45,105
Net Assets			
Beginning of Year	269,576	1,147,366	1,416,942
End of Year	<u>\$ 350,826</u>	<u>\$ 1,111,221</u>	<u>\$ 1,462,047</u>

See accompanying notes and independent auditor's report.

TORREY PINES HIGH SCHOOL FOUNDATION  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Cash Flows from Operating Activities</b>			
Change in Net Assets	\$ 81,250	\$ (36,145)	\$ 45,105
Reconciliation to net cash provided by (used in) operating activities:			
(Increase) decrease in operating assets			
Accounts Receivables	(5,425)	1,950	(3,475)
Prepaid Expenses	(12,740)	11,806	(934)
Net change in endowments	-	(43,869)	(43,869)
Increase (decrease) in operating liabilities			
Accounts Payable	-	(477)	(477)
Credit Cards Payable	11,317	7,046	18,363
Accrued payroll liabilities	2,411	-	2,411
Deferred revenue	13,887	17,915	31,802
Net cash provided by (used in) operating activities	<u>90,700</u>	<u>(41,774)</u>	<u>48,926</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	\$ 90,700	\$ (41,774)	\$ 48,926
<b>Cash and Cash Equivalents</b>			
Beginning of year	<u>285,342</u>	<u>1,036,639</u>	<u>1,321,981</u>
End of year	<u>\$ 376,042</u>	<u>\$ 994,865</u>	<u>\$ 1,370,907</u>

See accompanying notes and independent auditor's report.

TORREY PINES HIGH SCHOOL FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Extracurricular Programs</u>	<u>Other Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Coaches, Instructors & Referees	109,060	-	-	-	109,060
Payroll and Benefits	-	-	178,177	-	178,177
Equipment & Uniforms	261,283	-	-	-	261,283
Travel, Banquets and Events	86,738	-	-	-	86,738
Registration and Tournaments	42,320	-	-	-	42,320
Other Expenses	139,712	-	79,963	22,497	242,172
Gifts & Grants to School For Student Programs	-	102,476	-	-	102,476
In-Kind Expenses	48,992	-	-	-	48,992
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	<u>\$ 688,105</u>	<u>\$ 102,476</u>	<u>\$ 258,140</u>	<u>\$ 22,497</u>	<u>\$ 1,071,218</u>

See accompanying notes and independent auditor's report.

TORREY PINES HIGH SCHOOL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1. NATURE OF ORGANIZATION

Torrey Pines High School Foundation (The Organization) is a nonprofit charitable California corporation that was incorporated on September 3, 1993. The purpose of the Organization is to raise funds through donations and special events for the benefit of students at Torrey Pines High School, located in San Diego, California. The money collected assists support programs and improvements not fully funded by the San Dieguito Union School District allocations to the school site. These programs and improvements provide for growth, broadened experiences, and a well-rounded education for students.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Donated Services and In-Kind Contributions

A number of businesses and unpaid volunteers have made significant contributions of time to the Organization's fundraising and operations. Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In-Kind contributed goods are recorded at fair value at the time of donation.

Basis of Presentation

These financial statements reflect the financial position, changes in net assets, cash flows, and functional expenses for Torrey Pines High School Foundation as a separate legal entity rather than as a component unit of the San Dieguito Union High School District.

The financial statements of the Organization have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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

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

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

TORREY PINES HIGH SCHOOL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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 disclosures 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.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restriction, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net asset without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Investments

Investments in all debt securities and equity securities with readily determinable market values are recorded at fair market values in the Statement of Financial Position. Realized and unrealized gains and losses, dividends, and interest less investment expenses are included in the accompanying Statement of Activities and Changes in Net Assets. Fair market value is determined from quoted market prices.

Property and Equipment

Office furniture, fixtures, and equipment have been recorded at cost if purchased or at fair market value at the time of donation. Depreciation is provided over the estimated useful lives of the respective depreciable assets on a straight-line basis.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivable

The Organization records accounts receivable for fees charged but were not received by year end. The amounts are expected to be fully collected within 60 days of year end. As a result, no allowance for doubtful accounts has been established.

Prepaid Expenses

Prepaid expenses are recorded for items purchased for a future reporting period, such as marketing or deposits for future events.

TORREY PINES HIGH SCHOOL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

Income Tax Status

The Organization has qualified for tax-exempt status under Internal Revenue Code Section 501(c)(3) and California Revenue Code Section 23701(d). The Organization has also been classified by the Internal Revenue Service as an entity that is not a private foundation within the meaning of Section 170(c)(2). Income for certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. No provision for income taxes has been made in the accompanying financial statements since there is no unrelated business activity.

The Organization recognizes the financial statement benefit of tax positions, such as its income tax exempt filing status, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California purposes is generally three and four years, respectively.

Deferred Revenue

Deferred revenue arises when cash is received by the Organization but has not met performance obligations or the funds were stipulated to be used in a future period. In subsequent periods, when the revenue recognition criteria is met and Organization has legal claim to the resources, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification or a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash, cash equivalents, and investments, in various financial institutions that, at times, may exceed federally insured limits or include uninsured investments in mutual funds. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments are made by diversified investment managers whose performance is monitored by the Board of Directors of the Organization. Although fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

TORREY PINES HIGH SCHOOL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 3. NET ASSETS WITH DONOR RESTRICTIONS

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

Subject to purpose restrictions:	
Extracurricular Programs	\$ 895,164
Endowments:	
Subject to endowment spending and distribution policy	<u>216,057</u>
Total net assets with donor restrictions	<u>\$ 1,111,221</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2021:

Purpose restrictions met	\$ 808,918
Restricted-purpose spending-rate distributions	<u>-</u>
Net assets released from restriction	<u>\$ 808,918</u>

A summary of donor restricted net assets is as follows:

Balance – June 30, 2020	\$1,147,366
Current year net income	<u>(36,145)</u>
Balance – June 30, 2021	<u>\$1,111,221</u>

NOTE 4. ENDOWMENT

The Rancho Santa Fe Foundation holds two endowment funds, the Torrey Pines High School Foundation Endowment Fund and the President's Fund. The Torrey Pines High School Foundation has the right to withdraw an amount equal to 5% of the value of the fund for the Torrey Pines High School Foundation Endowment Fund and 10% of the value of the fund, for the President's Fund. The value of each fund is calculated on the last day of the calendar year, and the Torrey Pines High School Foundation retains the right to withdraw the applicable percentage for the entire subsequent calendar year. Undistributed funds are added to the principal balance of the endowment fund. The Board of Directors elected not to request the available distribution for 2020, and it has therefore been added to the principal and reflected in restricted net assets.

The San Diego Foundation holds two endowment funds, the Torrey Pines High School Foundation Endowment Fund and the Ed Burke Fund. For the Torrey Pines High School Foundation Endowment Fund, the Torrey Pines High School Foundation entered into an agreement on June 8, 2000 to have all earnings reinvested. This agreement can be altered at any time. For the Ed Burke Fund, the cumulative income may be withdrawn at any time to be used for expenses relating to the football program. Distributions, from the Ed Burke Endowment Fund, pursuant to distribution policy, are made automatically throughout the year and are distributed to the Torrey Pines High School Foundation Football operating fund. These funds are reflected in restricted net assets.

TORREY PINES HIGH SCHOOL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

The Board of Directors has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2021, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts, including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation 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 Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

NOTE 5. ENDOWMENT INVESTMENTS

As of June 30, 2021, the Organization had the following endowment net asset composition:

	With Donor Restrictions			
	Organization Endowment Fund at Rancho Santa Fe <u>Foundation</u>	Organization Presidents Fund at Rancho Santa Fe <u>Foundation</u>	Organization Endowment Fund at San Diego <u>Foundation</u>	Organization Ed Burke Fund at San Diego <u>Foundation</u>
Donor-restricted endowment funds				
Original donor restricted gift amount	\$10,000	\$2,500	\$35,017	\$25,000
Donor restricted contributions to fund	34,464	-		
Accumulated investment gains	<u>87,969</u>	<u>973</u>	<u>10,673</u>	<u>9,461</u>
	<u>\$132,433</u>	<u>\$3,473</u>	<u>\$45,690</u>	<u>\$34,461</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2021 there were no funds in the endowment considered to be underwater endowments.



TORREY PINES HIGH SCHOOL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

Changes in Endowment net assets for the year ended June 30, 2021 are as follows:

	With Donor Restrictions			
	Organization Endowment Fund at Rancho Santa Fe Foundation	Organization Presidents Fund at Rancho Santa Fe Foundation	Organization Endowment Fund at San Diego Foundation	Organization Ed Burke Fund at San Diego Foundation
<u>Year ended June 30, 2021</u>				
Endowment net assets, beginning of year	\$106,317	\$2,845	\$35,276	\$27,774
Contributions	-	-	-	-
Investment return, net	26,116	628	10,414	7,844
Distributions pursuant to distribution policy	-	-	-	(1,157)
Endowment net assets, end of year	<u>\$132,433</u>	<u>\$3,473</u>	<u>\$45,690</u>	<u>\$34,461</u>

**NOTE 6. FAIR VALUE MEASUREMENTS AND DISCLOSURES**

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that can be accessed on the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset.

The fair value of the Organization's beneficial interest in assets held by the Rancho Santa Fe Foundation and the San Diego Foundation, professionally managed community foundations, are based on the fair value of fund investments reported by the Organization. These are considered to be level 3 measurements.

TORREY PINES HIGH SCHOOL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

The following table presents assets measured at fair value on a recurring basis at June 30, 2021:

Assets	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash & Cash Equivalent	\$1,370,907	-	-	\$1,370,907
Endowment investments:				
Beneficial interests in assets held by community foundation				
Rancho Santa Fe Foundation	-	-	135,905	135,905
San Diego Foundation	-	-	80,151	80,151
Total	<u>\$1,370,907</u>	<u>-</u>	<u>\$216,056</u>	<u>\$1,586,963</u>

**NOTE 7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash and Cash Equivalents	\$1,370,907
Prepaid Expenses	12,740
Accounts Receivable	5,425
Endowment Spending-Rate Distributions & Appropriations	10,803
	<u>\$1,399,875</u>

Endowment funds consist of donor-restricted endowments. Income earned on donor-restricted endowments remains restricted for the same purpose, except for annual distributions from the Endowment based on the distribution policy set forth by the Organization's Finance Committee, a subcommittee of the Organization's board of directors. Annual distributions from the Endowment can range from 5-10% of the Endowment per the distribution policy. Donor-restricted endowment funds are not available for general expenditures.

**NOTE 8. CORONAVIRUS (COVID-19)**

On March 11, 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus (COVID-19) a global pandemic. As a result, economic uncertainties have arisen which may negatively impact the Organization's finances and operations. The Organization's revenues may decrease due to the effects of COVID-19. The ultimate financial impact and duration of these events are unknown at this time.

TORREY PINES HIGH SCHOOL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 9. IN-KIND CONTRIBUTIONS AND EXPENSES

The Organization received in-kind contributions consisting of team dinners and use of facilities for fundraising events. Total in-kind contributions and expense for the fiscal year ended June 30, 2021 was \$48,992.

NOTE 10. EXPENSE SUMMARY

Expenses incurred during the year have been classified as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Program Services (Including In-Kind Expenses)	\$112,663	\$677,918	\$790,581
Supporting Services	<u>280,637</u>	<u>-</u>	<u>280,637</u>
Total Expenses	<u>\$393,300</u>	<u>\$677,918</u>	<u>\$1,071,218</u>

NOTE 11. DATE OF MANAGEMENT REVIEW

In preparing the financial statement, the Organization has evaluated events and transactions for potential recognition or disclosure through February 18, 2022.