



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

**TORREY PINES HIGH SCHOOL
FOUNDATION, INC.
Audited Financial Statements
Year Ended June 30, 2023**

CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-15
SUPPLEMENTARY INFORMATION	
Schedule of Financial Position by Program	16
Schedule of Board Designated Net Assets by Program	17
Schedule of Activities by Program	18



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Torrey Pines High School Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Torrey Pines High School Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Torrey Pines High School Foundation, Inc. as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Our 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 our 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, we:

- 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, Inc.'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Torrey Pines High School Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Information on pages 16 through 18, including the schedule of financial position by program, the schedule of board designated net assets by program, and the schedule of activities by program, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



November 15, 2023

Sonnenberg & Company, CPAs

Torrey Pines High School Foundation, Inc.

Statement of Financial Position

June 30, 2023

ASSETS

Cash	\$	862,702
Certificates of deposit		920,874
Accounts receivable		150
Prepaid expenses and deposits		51,131
Investments designated for endowment		<u>207,808</u>
TOTAL ASSETS	\$	<u><u>2,042,665</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$	20,051
Credit cards payable		12,125
Accrued payroll and related liabilities		4,326
Deferred revenue		<u>204,506</u>
TOTAL LIABILITIES		241,008

NET ASSETS

Without Donor Restrictions

Undesignated		493,361
Board designated - Foundation endowment funds		175,237
Board designated - Extracurricular programs		<u>1,133,059</u>
TOTAL NET ASSETS		<u>1,801,657</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>2,042,665</u></u>

The Accompanying Notes Are an Integral Part of the Financial Statements

Torrey Pines High School Foundation, Inc.

Statement of Activities

For the Year Ended June 30, 2023

SUPPORT AND REVENUES	
Contributions	\$ 1,534,821
In-kind contributions	26,970
Registration fees	709,585
Facilities rental fees	199,135
Sales of goods	103,873
Special events	
Events income	127,325
Less: cost of direct benefits to donors	(19,979)
In-kind contributions	16,075
Less: use of in-kind contributions	(16,075)
Special events, net	<u>107,346</u>
Interest	26,158
Net investment return - endowment	<u>13,784</u>
Total Support and Revenues	<u>2,721,672</u>
EXPENSES	
Program Services	
Extracurricular programs	2,024,884
Foundation programs	<u>253,323</u>
Total Program Services	<u>2,278,207</u>
Supporting Services	
Management and general	54,230
Fundraising	<u>85,878</u>
Total Supporting Services	<u>140,108</u>
Total Expenses	<u>2,418,315</u>
CHANGE IN NET ASSETS	\$ 303,357
RESTATED NET ASSETS, BEGINNING OF YEAR	<u>1,498,300</u>
NET ASSETS, END OF YEAR	<u>\$ 1,801,657</u>

The Accompanying Notes Are an Integral Part of the Financial Statements

Torrey Pines High School Foundation, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2023

	Program Services			Supporting Services		
	Extracurricular Programs	Foundation Programs	Total	Management & General	Fundraising	Total
Advertising and promotional items	\$ 12,332	\$	\$ 12,332	\$	\$ 7,303	\$ 19,635
Awards, trophies and appreciation	67,812		67,812	1,500	10,487	79,799
Bank and merchant fees	51,291	4,826	56,117			56,117
Banquets and dinners	81,503		81,503			81,503
Coaches, instructors and referees	458,476		458,476		10,732	469,208
Concession and supplies	15,086		15,086			15,086
Equipment and supplies	138,212		138,212			138,212
Events	51,310		51,310		18,005	69,315
Facilities custodial and utilities fees			-		48,212	48,212
Food and beverage	21,051		21,051		814	21,865
Gifts and grants to school		218,101	218,101			218,101
In-kind contributions	14,210	12,760	26,970		16,075	43,045
Insurance	7,096		7,096	1,837		8,933
Office expense	29,485		29,485	8,800	7,879	46,164
Other expenses	55,992		55,992	6,362	328	62,682
Payroll and benefits	162,777	17,636	180,413			180,413
Professional fees	47,651		47,651	35,731		83,382
Registration and tournaments	110,521		110,521			110,521
Repairs and maintenance	47,528		47,528			47,528
Seminars and workshops	20,787		20,787			20,787
Short term rent	12,881		12,881			12,881
Team activities	30,501		30,501		543	31,044
Travel	237,407		237,407			237,407
Uniforms and clothing	311,896		311,896			311,896
Website and IT	39,079		39,079		1,554	40,633
Total Expenses by Function	\$ 2,024,884	\$ 253,323	\$ 2,278,207	\$ 54,230	\$ 121,932	\$ 2,454,369
Less expenses included with revenues on the statement of activities						
Cost of direct benefits to donors	-	-	-	-	(19,979)	(19,979)
In-kind contributions	-	-	-	-	(16,075)	(16,075)
Total expenses included in expense section on the statement of activities	\$ 2,024,884	\$ 253,323	\$ 2,278,207	\$ 54,230	\$ 85,878	\$ 2,418,315

The Accompanying Notes Are an Integral Part of the Financial Statements

Torrey Pines High School Foundation, Inc.

Statement of Cash Flows

For the Year Ended June 30, 2023

Cash flows from operating activities:	
Change in net assets	\$ 303,357
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net realized and unrealized (gains) on investments	(12,047)
Changes in operating assets and liabilities	
Accounts receivable	17
Prepaid expenses and deposits	(33,591)
Accounts payable and accrued expenses	(547)
Credit cards payable	(7,438)
Accrued payroll and related liabilities	(38,179)
Deferred revenue	32,144
Net cash provided by operating activities	<u>243,716</u>
Cash flows from investing activities:	
Purchase of certificates of deposit	(900,000)
Reinvestment of interest	<u>(20,874)</u>
Net cash used in investing activities	<u>(920,874)</u>
Net change in cash	(677,158)
Cash at beginning of year	<u>1,539,860</u>
Cash at end of year	<u>\$ 862,702</u>

The Accompanying Notes Are an Integral Part of the Financial Statements

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year ended June 30, 2023

Note 1. Organization:

Torrey Pines High School Foundation, Inc. (the Foundation) was incorporated on September 3, 1993 pursuant to the general non-profit corporation laws of the State of California. The specific purpose of the Foundation 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. Significant Accounting Policies:

Basis of Accounting: The Foundation accounting records and the accompanying financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America whereby revenue is recognized when earned and expenses are recognized when incurred.

Net Assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has designated \$1,308,296 from net assets without donor restrictions for Endowment Funds and extracurricular programs.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Foundation reports contributions restricted by donors as increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents: Cash and cash equivalents primarily include cash in banks and highly liquid investments with an original maturity of three months or less. Cash and highly liquid financial instruments restricted to long-term purposes are excluded from this definition. As of June 30, 2023, the Foundation did not have any cash equivalents.

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year ended June 30, 2023

Note 2. Significant Accounting Policies (continued):

Accounts Receivable: Accounts receivable consist of trade receivables related to facilities rental. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. Management believes that all accounts receivable are fully collectible; therefore, no allowance for doubtful accounts was recorded as of June 30, 2023.

Investments: The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Investment earnings are recorded net of custodial fees and investment advisory fees, if any.

Property and Equipment: Property and equipment are recorded at cost and depreciated under the straight-line method over their estimated useful lives of 5 to 7 years. Repair and maintenance costs, which do not extend the useful lives of the asset, are charged to expense. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the respective accounts, and any resulting gain or loss is included in earnings in the year of disposal. Management has elected to capitalize and depreciate all assets costing \$5,000 or more; all other asset purchases are expensed in the year incurred.

Fair Value Measurements: The Foundation measures fair value at the price that would be received upon sale of an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Authoritative guidance establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values, requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets.

Level 2: Unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Significant unobservable inputs for the asset or liability.

Compensated Absences: Unpaid employee leave benefits are recognized as liabilities of the Foundation. As of June 30, 2023, the liability for accrued vacation is \$4,326.

Recognition of Revenue: Revenue from programs is recognized when earned. Program service fees received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Facilities rental fees are recorded when due from customers.

Contributions are recognized when cash or other assets, an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year ended June 30, 2023

Note 2. Significant Accounting Policies (continued):

Donated Services and In-Kind Contributions: The Foundation utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the year ended June 30, 2023, did not meet the requirements above, therefore no amounts were recognized in the financial statements. Contributed goods and use of facilities are recorded at fair value on the date of donation.

Functional Expenses: The costs of providing various services and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, benefits, and payroll taxes which are allocated on the basis of estimates of time and effort.

Advertising Expenses: Advertising costs are expensed as incurred.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates under different assumptions or conditions.

Income Tax Status: The Foundation is organized as California nonprofit corporations and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The Foundation has determined that it is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Foundation's management has evaluated its tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. Accordingly, there are no tax positions that qualify for recognition or disclosure in the financial statements.

Recently Adopted Accounting Pronouncements: In February 2016, the FASB issued Accounting Standards Codification ("ASC") 842, Leases ("FASB ASC 842"). to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the statement of financial position by lessees and the disclosure of key information about leasing arrangements. This standard is applied on a modified retrospective basis. FASB ASC 842 was adopted July 1, 2022 with certain practical expedients available. The Foundation did not have any leases; therefore, the adoption had no effect on the Foundation's financial statements for the year ended June 30, 2023.

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year ended June 30, 2023

Note 2. Significant Accounting Policies (continued):

Recently Adopted Accounting Pronouncements (continued): In September 2020, FASB issued Accounting Standards Update 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. ASU 2020-07 is intended to increase the transparency of contributed nonfinancial assets (in-kind goods and services) for not-for-profit entities through enhancements to presentation and disclosure. The amendments in this ASU will not change the recognition and measurement requirements of in-kind goods and services. In 2022, the Foundation adopted ASU 2020-07. The adoption of this ASU did not impact the Foundation's net asset classes, results of operations, or cash flows for the year ended June 30, 2023.

Note 3. Certificates of Deposit:

Certificates of deposit are recorded at cost, which approximates fair value, and therefore, are not subject to provisions of fair value measurements. The Foundation invested in two certificates of deposit totaling \$920,874. Certificates of deposit mature in September 2023 and October 2023 and bear interest rates of 4.95% and 2.75%. Any penalties for early withdrawal would not have a material effect on the financial statements.

Note 4. Investments Designated for Endowment:

In 1999, the Foundation's Board of Directors established the Torrey Pines High School Foundation Endowment Fund (the Fund) with The San Diego Foundation (TSDF) to be used for Foundation's general operations. The Foundation irrevocably transferred funds to TSDF in accordance with November 1, 1999 agreement. In accordance with the agreement, TSDF has all powers to carry out the purposes of the Fund, including the power to retain, invest and reinvest the Fund in any manner within the "prudent person" standard and the power to commingle the assets of the Fund with those of other funds for investment purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporations Code. Distributions from the Fund may be made from income as determined by the Board of Governors of TSDF. The investments are carried at fair value and as of June 30, 2023, totaled \$46,798, as reported by TSDF.

In 2000, the Foundation's Board of Directors established the Ed Burke Fund (the Fund) with The San Diego Foundation (TSDF) to be used for expenses relating to the football program. The Foundation irrevocably transferred funds to TSDF in accordance with January 12, 2000 agreement. In accordance with the agreement, TSDF has all powers to carry out the purposes of the Fund, including the power to retain, invest and reinvest the Fund in any manner within the "prudent person" standard and the power to commingle the assets of the Fund with those of other funds for investment purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporations Code. Distributions from the Fund may be made from income as determined by the Board of Governors of TSDF. The investments are carried at fair value and as of June 30, 2023, totaled \$32,571, as reported by TSDF.

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year ended June 30, 2023

Note 4. Investments Designated for Endowment (continued):

In 1999, the Foundation’s Board of Directors established the Torrey Pines High School Foundation Fund (the Fund) with Rancho Santa Fe Foundation (RSFF) to be used for the Foundation’s general operations. The Foundation irrevocably transferred funds to RSFF in accordance with November 1, 1999 agreement. In accordance with the agreement, RSFF has all powers to carry out the purposes of the Fund, including the power to retain, invest and reinvest the Fund in any manner within the “prudent person” standard and the power to commingle the assets of the Fund with those of other funds for investment purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporations Code. Distributions from the Fund may be made from the principal and/or earnings as determined by RSFF. The investments are carried at fair value and as of June 30, 2023, totaled \$125,157, as reported by RSFF.

In 2005, the Foundation’s Board of Directors established the President’s Fund (the Fund) with Rancho Santa Fe Foundation (RSFF) to enable retiring Foundation Board Presidents, as a group, to make an annual grant in support of a program at the Torrey Pines High School. The Foundation irrevocably transferred funds to RSFF in accordance with October 10, 2005 agreement. In accordance with the agreement, RSFF has all powers to carry out the purposes of the Fund, including the power to retain, invest and reinvest the Fund in any manner within the “prudent person” standard and the power to commingle the assets of the Fund with those of other funds for investment purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporations Code. Distributions from the Fund may be made from principal and/or earnings as determined by RSFF and may be equal to 10% of the value of the fund. The investments are carried at fair value and as of June 30, 2023, totaled \$3,282, as reported by RSFF.

The Funds are administered in accordance with the California Uniform Prudent Management of Institutional Funds Act. Changes in funds designated for endowment for the year ended June 30, 2023, were as follows:

	TPHSF Endowment Fund at TSDF	Ed Burke Fund at TSDF	TPHSF Fund at RSFF	The President's Fund at RSFF	Total
Balance, July 1, 2022	\$ 43,772	\$ 31,847	\$ 117,071	\$ 3,070	\$ 195,760
Contributions	-	-	-	-	-
Investment earnings	3,278	2,268	9,290	244	15,080
Distributions	-	(1,294)	-	-	(1,294)
Service fees	(252)	(250)	(1,204)	(32)	(1,738)
Balance, June 30, 2023	<u>\$ 46,798</u>	<u>\$ 32,571</u>	<u>\$ 125,157</u>	<u>\$ 3,282</u>	<u>\$ 207,808</u>

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year ended June 30, 2023

Note 5. Fair Value Measurements:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy as of June 30, 2023:

	Total	(Level 1)	(Level 2)	(Level 3)
Funds at TSDF				
Torrey Pines High School Foundation				
Endowment Fund	\$ 46,798	\$	\$	46,798
Ed Burke Fund	32,571			32,571
Funds at RSFF				
Torrey Pines Hight School Foundation	125,157			125,157
The President's Fund	3,282			3,282
Total	\$ 207,808	\$ -	\$ -	\$ 207,808

The fair value of endowment funds held by TSDF and RSFF (See Note 4) is determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of investments as reported by TSDF and FSFF and is considered to be Level 3.

Note 6. Liquidity and Availability:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at year end:

Cash	\$ 862,702
Certificates of deposit	920,874
Accounts receivable	150
Financial assets	\$ 1,783,726

As of June 30, 2023, the Foundation reported \$1,308,296 as net assets designated by the Board. These funds, with exception of \$207,808 endowment funds, are available for general expenditures within one year of June 30, 2023, because the designations on the net assets are expected to be met by conducting the normal activities of the Foundation's programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation invests cash in excess of daily requirements in certificates of deposit.

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year ended June 30, 2023

Note 7. Board-Designated Net Assets:

Net assets without donor restrictions that are designated by the Board of Directors for specific purposes are as follows at June 30, 2023:

Foundation - Endowment funds	\$ 175,237
Extracurricular programs - Endowment funds	32,571
Extracurricular programs	<u>1,100,488</u>
Total	<u>\$ 1,308,296</u>

Note 8. Concentrations and Risks:

The Foundation maintains its cash and certificates of deposit in various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2023, the uninsured balance was \$681,019. The Foundation has not experienced any losses in such accounts and management does not believe it is exposed to significant credit risk on its accounts.

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

Note 9. In-kind Contributions:

The Foundation received in-kind contributions consisting of auction items for special events, sport equipment, restaurant meals and gift cards. The Foundation recognized donated goods in the amount of \$43,045 during the year ended June 30, 2023.

Note 10. Related Parties:

The Foundation's Board Officer is the Managing Director of First Republic Bank which is part of JPMorgan Chase Bank. As of June 30, 2023, the certificates of deposit balance at First Republic Bank was \$920,874 and the checking account balance was \$10,145.

Note 11. Restatement of Net Assets:

During the year ended June 30, 2023, the Foundation determined that net assets with donor restrictions were incorrectly reported as of June 30, 2022. Accordingly, The Foundation restated \$1,166,414 of net assets with donor restrictions as unrestricted Board designated at July 1, 2022. The restatement has no effect on the Foundation's net income and total net assets.

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year ended June 30, 2023

Note 12. Deferred Revenue:

At June 30, 2023, the Foundation received \$204,810 of program service fees and facilities rental fees prior to performing services. These payments were recorded as deferred revenue at June 30, 2023.

The following table provides information about significant changes in deferred revenue for the year ended June 30, 2023:

Deferred revenue, beginning of year	\$ 172,362
Revenue recognized that was included in deferred revenue at the beginning of the year	(172,362)
Increase in deferred revenue due to cash received during the year	<u>204,810</u>
Deferred revenue, end of year	<u>\$ 204,810</u>

Note 13. Management's Review and Subsequent Events:

Management evaluated subsequent events through November 15, 2023, the date on which the financial statements were available to be issued. Management is not aware of any other subsequent events that would require adjustment to, or disclosure in, the financial statements.

Torrey Pines High School Foundation, Inc.
Supplementary Information
Schedule of Financial Position by Program
June 30, 2023

	Extracurricular Programs	Foundation	Total
ASSETS			
Cash	\$ 351,222	\$ 511,480	\$ 862,702
Certificates of deposit	920,874		920,874
Accounts receivable		150	150
Prepaid expenses and deposits	27,905	23,226	51,131
Investments designated for endowment	32,571	175,237	207,808
TOTAL ASSETS	\$ 1,332,572	\$ 710,093	\$ 2,042,665
 LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	\$ 10,267	\$ 9,784	\$ 20,051
Credit cards payable	12,125		12,125
Accrued payroll and related liabilities		4,326	4,326
Deferred revenue	177,121	27,385	204,506
TOTAL LIABILITIES	199,513	41,495	241,008
 NET ASSETS			
Without Donor Restrictions			
Undesignated		493,361	493,361
Board Designated - Foundation endowment funds		175,237	175,237
Board Designated - Extracurricular programs	1,133,059		1,133,059
TOTAL NET ASSETS	1,133,059	668,598	1,801,657
TOTAL LIABILITIES AND NET ASSETS	\$ 1,332,572	\$ 710,093	\$ 2,042,665

See Auditor's Report

Torrey Pines High School Foundation, Inc.
Supplementary Information
Schedule of Board Designated Net Assets by Program
For the Year Ended June 30, 2023

Endowment Fund	\$ 32,571
Academic Team	18,287
Dance	77,991
Dance PE	13,934
Library	8,445
Music	87,373
Robotics Team	19,847
Science Olympiad	12,323
Speech and Debate	13,556
Synthetic Biology - iGEM	3,234
Theater	2,866
General Athletic Fund	11,183
Badminton	8,331
Baseball	47,446
Basketball - Boys	102,840
Basketball - Girls	21,946
Cheerleading	44,882
Cross Country	28,735
Field Hockey	26,328
Football	120,135
Golf Boys	14,229
Girls Golf	1,597
Gymnastics	(31)
Lacrosse - Boys	38,020
Lacrosse - Girls	17,092
Soccer - Boys	46,141
Soccer - Girls	22,959
Softball	28,937
Swimming	20,616
Tennis - Boys	17,846
Tennis - Girls	25,919
Track	63,746
Volleyball - Boys	13,425
Sand Volleyball - Boys	10,113
Volleyball - Girls	26,980
Sand Volleyball - Girls	4,311
Waterpolo - Boys	8,662
Waterpolo - Girls	9,008
Wrestling	17,734
G & J Jacobs Athletics Fund	26,071
Miscellaneous Clubs Funds	17,431
Total	\$ <u><u>1,133,059</u></u>

See Auditor's Report

Torrey Pines High School Foundation, Inc.
Supplementary Information
Schedule of Activities by Program
For the Year Ended June 30, 2023

	<u>Extracurricular Programs</u>	<u>Foundation</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions	\$ 1,247,667	287,154	\$ 1,534,821
In-kind contributions	14,210	12,760	26,970
Registration fees	682,010	27,575	709,585
Facilities rental fees		199,135	199,135
Sales of goods	103,236	637	103,873
Special events			
Events income	127,325		127,325
Less: cost of direct benefits to donors	(19,979)		(19,979)
In-kind contributions	16,075		16,075
Less: use of in-kind contributions	(16,075)		(16,075)
Special events, net	<u>107,346</u>	<u>-</u>	<u>107,346</u>
Interest		26,158	26,158
Net investment return - endowment	973	12,811	13,784
Total Support and Revenues	<u>2,155,442</u>	<u>566,230</u>	<u>2,721,672</u>
EXPENSES			
Program Services			
Extracurricular programs	2,024,884		2,024,884
Foundation programs		253,323	253,323
Total Program Services	<u>2,024,884</u>	<u>253,323</u>	<u>2,278,207</u>
Supporting Services			
Management and general		54,230	54,230
Fundraising		85,878	85,878
Total Supporting Services	<u>-</u>	<u>140,108</u>	<u>140,108</u>
Total Expenses	<u>2,024,884</u>	<u>393,431</u>	<u>2,418,315</u>
CHANGE IN NET ASSETS	\$ 130,558	\$ 172,799	\$ 303,357
NET ASSETS, BEGINNING OF YEAR	<u>1,002,501</u>	<u>\$ 495,799</u>	<u>1,498,300</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,133,059</u></u>	<u><u>\$ 668,598</u></u>	<u><u>\$ 1,801,657</u></u>

See Auditor's Report