



Sonnenberg & Company, CPAs

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Leonard C. Sonnenberg, CPA

**TORREY PINES HIGH SCHOOL
FOUNDATION, INC.
Audited Financial Statements
Year Ended June 30, 2024**

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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, 2024, 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, 2024, 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 Summarized Comparative Information

We have previously audited Torrey Pines High School Foundation, Inc.'s June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 18 through 20, including the schedule of financial position by program, the schedule of board designated net assets-extracurricular programs, 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.



October 23, 2024

Sonnenberg & Company, CPAs

Torrey Pines High School Foundation, Inc.
Statement of Financial Position
June 30, 2024
(With Comparative Information as of June 30, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 303,939	\$ 862,702
Operating investments	1,240,728	920,874
Accounts receivable	1,894	150
Prepaid expenses and deposits	104,309	51,131
Board designated investments	224,586	207,808
TOTAL ASSETS	\$ 1,875,456	\$ 2,042,665
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 87,077	\$ 32,176
Payroll liabilities	3,998	4,326
Conditional contributions	86,756	64,487
Deferred revenue	70,935	140,019
TOTAL LIABILITIES	248,766	241,008
 NET ASSETS		
Without Donor Restrictions		
Undesignated	402,653	493,361
Board designated - Foundation	190,787	175,237
Board designated - Extracurricular programs	1,033,250	1,133,059
TOTAL NET ASSETS	1,626,690	1,801,657
TOTAL LIABILITIES AND NET ASSETS	\$ 1,875,456	\$ 2,042,665

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, 2024

(With Summarized Comparative Information for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
REVENUE, SUPPORT, AND GAINS		
Contributions	\$ 1,711,274	\$ 1,534,821
Contributed nonfinancial assets	68,917	26,970
Registration fees and event tickets	748,040	709,585
Facilities rental fees	149,270	199,135
Sales of goods	191,060	103,873
Special events		
Gross special events revenue	160,853	127,325
Less cost of direct benefits to donors	(60,535)	(19,979)
Contributed nonfinancial assets	25,633	16,075
Less use of contributed nonfinancial assets	(25,633)	(16,075)
Special events, net	<u>100,318</u>	<u>107,346</u>
Net investment return	<u>45,164</u>	<u>39,942</u>
Total Revenue, Support, and Gains	<u>3,014,043</u>	<u>2,721,672</u>
EXPENSES		
Program Services		
Extracurricular programs	2,527,385	2,024,884
Foundation programs	514,582	253,323
Total Program Services	<u>3,041,967</u>	<u>2,278,207</u>
Supporting Services		
Management and general	90,676	54,230
Fundraising	56,367	85,878
Total Supporting Services	<u>147,043</u>	<u>140,108</u>
Total Expenses	<u>3,189,010</u>	<u>2,418,315</u>
CHANGE IN NET ASSETS	\$ (174,967)	\$ 303,357
NET ASSETS, BEGINNING OF YEAR	\$ <u>1,801,657</u>	\$ <u>1,498,300</u>
NET ASSETS, END OF YEAR	<u>\$ 1,626,690</u>	<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, 2024
(With Summarized Comparative Information for the Year Ended June 30, 2023)

	Program Services			Supporting Services		2024	2023
	Extracurricular Programs	Foundation Programs	Total	Management & General	Fundraising	Total	Total
Advertising and promotional items	\$ 25,132	\$	\$ 25,132	\$	\$ 16,100	\$ 41,232	\$ 19,635
Awards, trophies and appreciation	44,057	1,530	45,587	2,935	9,900	58,422	79,799
Bank and merchant fees	46,230	8,334	54,564	718	263	55,545	56,117
Banquets and dinners	101,791		101,791			101,791	81,503
Coaches, instructors and referees	559,973		559,973			559,973	469,208
Concession and supplies	16,928		16,928			16,928	15,086
Contributed nonfinancial assets	4,996	46,835	51,831	15,566	27,153	94,550	43,045
Equipment and supplies	184,059		184,059			184,059	153,109
Events	25,331		25,331		60,535	85,866	84,196
Facilities and field improvements	77,350		77,350			77,350	23,370
Facilities custodial and utilities fees			-	45,375		45,375	48,212
Food and beverage	22,225		22,225			22,225	21,865
Gifts and grants to school		384,969	384,969			384,969	218,101
Grants to SDUHSD	206,306		206,306			206,306	-
Insurance	7,941		7,941	1,795		9,736	8,933
Office expense	20,884		20,884	15,717	12,635	49,236	52,852
Payroll and benefits	176,780	49,258	226,038	1,392		227,430	180,413
Professional fees	56,252	23,656	79,908	3,392		83,300	83,382
Registration and tournaments	112,313		112,313			112,313	113,656
Repairs and maintenance	22,598		22,598			22,598	24,158
Seminars and workshops	18,286		18,286			18,286	20,787
Short term rent	15,466		15,466			15,466	12,881
Signs and photography	36,674		36,674			36,674	12,090
Team activities	121,001		121,001			121,001	42,035
Travel	239,442		239,442			239,442	237,407
Uniforms and clothing	327,553		327,553			327,553	311,896
Website and IT	57,817		57,817	3,786	15,949	77,552	40,633
Total Expenses by Function	\$ 2,527,385	\$ 514,582	\$ 3,041,967	\$ 90,676	\$ 142,535	\$ 3,275,178	\$ 2,454,369
Less expenses included with revenues on the statement of activities							
Cost of direct benefits to donors	-	-	-	-	(60,535)	(60,535)	(19,979)
Contributed nonfinancial assets	-	-	-	-	(25,633)	(25,633)	(16,075)
Total expenses included in expense section on the statement of activities	\$ 2,527,385	\$ 514,582	\$ 3,041,967	\$ 90,676	\$ 56,367	\$ 3,189,010	\$ 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, 2024
(With Comparative Information for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ (174,967)	\$ 303,357
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(20,646)	(12,047)
Changes in operating assets and liabilities		
Accounts receivable	(1,744)	17
Prepaid expenses and deposits	(53,178)	(33,591)
Accounts payable and accrued expenses	54,901	(7,985)
Payroll liabilities	(328)	(38,179)
Conditional contributions	22,269	(64,487)
Deferred revenue	(69,084)	96,631
Net cash provided by (used in) operating activities	<u>(242,777)</u>	<u>243,716</u>
Cash flows from investing activities:		
Sale of investments	938,807	-
Purchases of investments	(1,235,476)	(900,000)
Reinvestment of interest	(19,317)	(20,874)
Net cash used in investing activities	<u>(315,986)</u>	<u>(920,874)</u>
Net change in cash and cash equivalents	(558,763)	(677,158)
Cash and cash equivalents at beginning of year	<u>862,702</u>	<u>1,539,860</u>
Cash and cash equivalents at end of year	<u>\$ 303,939</u>	<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, 2024

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 \$1,224,037 from net assets without donor restrictions for Foundation 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.

Torrey Pines High School Foundation, Inc.

Notes to Financial Statements

Year Ended June 30, 2024

Note 2. Significant Accounting Policies (continued):

Accounts Receivable and Allowance for Credit Losses: Accounts receivable consist of trade receivables related to facilities rental.

The Foundation recognizes an allowance for credit losses for accounts receivable carried at amortized cost to present the net amount expected to be collected as of the financial position date. Such allowance is based on the credit losses expected to arise over the contractual term which includes consideration of prepayments and is based on the expectation as of the financial position date. Accounts receivable are written off when the Foundation determines that such accounts are deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the financial position date. The Foundation continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change. Management believes that all accounts receivable are fully collectible; therefore, no allowance for credit losses was recorded as of June 30, 2024.

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. 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: Investments are reported at fair value in the Foundation's financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability 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 or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.

Level 3 inputs are unobservable inputs for the investment.

Torrey Pines High School Foundation, Inc.

Notes to Financial Statements

Year Ended June 30, 2024

Note 2. Significant Accounting Policies (continued):

Fair Value Measurements (continued): The Foundation's statement of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

Board designated investments held by the Rancho Santa Fe Foundation are considered Level 2 assets and are reported at fair value based on the Foundation's investment allocation of the "investment pool" held by the Rancho Santa Fe Foundation.

Board designated investments held by The San Diego Foundation are considered Level 3 assets and are reported at fair value based on the fair value of fund investments as reported by The San Diego Foundation.

Compensated Absences: Unpaid employee leave benefits are recognized as liabilities of the Foundation. As of June 30, 2024, the liability for accrued vacation is \$3,998.

Recognition of Revenue: Revenue from programs is recognized when the Foundation transfers promised goods or services to customers in an amount that reflects consideration to which the Foundation expects to be entitled in exchange for those goods and services. Program service fees received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred. Facilities rental fees are recorded when due from customers. Special events revenue is recognized immediately, unless there is a right of return if the special event does not take place. The Foundation records special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference.

Contributions are recognized when cash, securities 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. Consequently, at June 30, 2024, contributions of \$86,756 have not been recognized as revenue in the accompanying statement of activities because the conditions on which they depend has not yet been met. These contributions are dependent upon students participating in the extracurricular programs.

Contributed Nonfinancial Assets: The estimated fair value of contributed nonfinancial assets is recorded in the financial statements. The donated goods are recorded at fair value at the date of donation. Contributed services are recognized as contributions when services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The donated services by volunteers for the years ended June 30, 2024, did not meet the requirements above, therefore no amounts were recognized in the financial statements for volunteer time.

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 payroll and benefits, professional fees, and bank and merchant fees which are allocated on the basis of estimates of time and effort.

Torrey Pines High School Foundation, Inc.

Notes to Financial Statements

Year Ended June 30, 2024

Note 2. Significant Accounting Policies (continued):

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.

Comparative Financial Information: The comparative information from the previous year is included to provide a basis for comparison and presents summarized totals only. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States and should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2023 from which the summarized information was derived. Certain reclassifications have been made to the June 30, 2023 financial statements presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to the reclassifications.

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 June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments (Topic 326). The guidance requires entities to record an allowance for expected credit losses over the contractual term of certain financial assets, including trade receivables and contract assets, and expands disclosure requirements for credit quality of financial assets. The Foundation adopted this standard effective July 1, 2023 using the modified retrospective method. The adoption of this standard did not have a material impact on the financial statements and disclosures.

Torrey Pines High School Foundation, Inc.

Notes to Financial Statements

Year Ended June 30, 2024

Note 3. Investments:

Cash that is not used for operations is treated as investments due to its nature as long-term investments. The investments may fluctuate in value, are subject to market risk and are not insured. Market risk relates to the possibility that invested assets may experience loss due to prevailing market conditions. The Foundation invests in U.S. Treasury funds which are not insured by FDIC but backed by the full faith and credit of the United States government. At June 30, 2024 investments consist of the following:

Cash and cash investments	\$ 263,490
Fixed income - U.S. Treasury	329,141
Fixed income - Other	648,097
	<u>\$ 1,240,728</u>

Note 4. Board Designated Investment Funds:

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. 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 investment is carried at fair value and as of June 30, 2024, totaled \$50,775, 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 related football program expenses. The Foundation irrevocably transferred funds to TSDF in accordance with January 12, 2000 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 investment is carried at fair value and as of June 30, 2024, totaled \$33,799, as reported by TSDF.

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. 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.

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2024

Note 4. Board Designated Investment Funds (continued):

Distributions from the Fund may be made from the principal and/or earnings as determined by RSFF and may be equal to 5% of the value of the fund. The investments is carried at fair value and as of June 30, 2024, totaled \$136,434, 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. 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 is carried at fair value and as of June 30, 2024, totaled \$3,578, as reported by RSFF.

The Funds are administered in accordance with the California Uniform Prudent Management of Institutional Funds Act. Changes in Board designated investment funds for the year ended June 30, 2024, 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, 2023	\$ 46,798	\$ 32,571	\$ 125,157	\$ 3,282	\$ 207,808
Contributions	-	-	-	-	-
Investment earnings	4,234	2,823	12,554	330	19,941
Distributions	-	(1,345)	-	-	(1,345)
Service fees	(257)	(250)	(1,277)	(34)	(1,818)
Balance, June 30, 2024	<u>\$ 50,775</u>	<u>\$ 33,799</u>	<u>\$ 136,434</u>	<u>\$ 3,578</u>	<u>\$ 224,586</u>

Torrey Pines High School Foundation, Inc.

Notes to Financial Statements

Year Ended June 30, 2024

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, 2024:

	Total	(Level 1)	(Level 2)	(Level 3)
Operating investments	\$ 1,240,728	\$ 1,240,728	\$	\$
Funds at TSDF				
Torrey Pines High School				
Foundation Endowment Fund	50,775			50,775
Ed Burke Fund	33,799			33,799
Funds at RSFF				
Torrey Pines High School				
Foundation Fund	136,434		136,434	
The President's Fund	3,578		3,578	
Total	\$ 1,465,314	\$ 1,240,728	\$ 140,012	\$ 84,574

The following table represents the Foundation's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the range of values for those inputs as of June 30, 2024:

Instrument	Fair value	Principal valuation technique	Unobservable inputs	Significant input values
Board designated investments at The San Diego Foundation	\$ 84,574	Valuation of underlying assets as provided by issuer	Base price	N/A

Note 6. 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, 2024:

Foundation -Investment funds	\$ 190,787
Extracurricular programs - Investment fund	33,799
Extracurricular programs - Various programs	999,451
Total	\$ 1,224,037

Torrey Pines High School Foundation, Inc.

Notes to Financial Statements

Year Ended June 30, 2024

Note 7. 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	\$ 303,939
Operating investments	1,240,728
Accounts receivable	1,894
	<u>1,546,561</u>

Less amounts not available for general expenditures within one year:

Board Designated - Scoreboard project	<u>(7,715)</u>
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Financial assets available to meet general expenditures within one year \$ 1,538,846

As of June 30, 2024, the Foundation reported \$1,224,037 as net assets designated by the Board. These funds, with exception of \$224,586 Board designated investments and \$7,715 funds designated for scoreboard project, are available for general expenditures within one year of June 30, 2024, 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.

The Foundation receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure 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 U.S. Treasury funds and other fixed income.

Note 8. Concentrations and Risks:

Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Foundation maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. As of June 30, 2024, the uninsured balance was \$2,742. Management believes that the Foundation is not exposed to any significant risk with respect to its cash and cash equivalent 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.

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2024

Note 9. Contributed Nonfinancial Assets:

For the year ended June 30, 2024, contributed nonfinancial assets recognized within the statement of activities included the following:

Auction Items - Special events	\$	22,077
Meals - Special events		3,556
Food and meals		29,067
Gift cards and passes		24,395
Photo services		1,000
Facilities		14,455
	\$	<u>94,550</u>

The Foundation recognized contributed nonfinancial assets within revenue. Contributed nonfinancial assets did not have donor-imposed restrictions.

In valuing auction items, food and meals, gift cards and passes, the Foundation estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. Contributed food and meals, gift cards and passes are used in program services and special events. Contributed auction items were used in special events.

Contributed photo services are used in Foundation programs and are recognized at fair value based on current rates for similar photo services.

The San Dieguito Union High School District provides office space to the Foundation. Contributed facilities are used for general and administrative activities and are valued at the estimated fair value on the basis of California Civic Center Rate Schedule for 2023.

Note 10. Deferred Revenue:

At June 30, 2024, the Foundation received \$70,935 of camp, tournament, and special event registration fees prior to performing services. These payments were recorded as deferred revenue at June 30, 2024.

The following table provides information about significant changes in deferred revenue for the year ended June 30, 2024:

Deferred revenue, beginning of year	\$	140,019
Revenue recognized that was included in deferred revenue at the beginning of the year		(140,019)
Increase in deferred revenue due to cash received during the year		70,935
Deferred revenue, end of year	\$	<u>70,935</u>

Torrey Pines High School Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2024

Note 11. Management's Review and Subsequent Events:

Management evaluated subsequent events through October 23, 2024, 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

Torrey Pines High School Foundation, Inc.
Supplementary Information
Schedule of Financial Position by Program
June 30, 2024

	<u>Extracurricular Programs</u>	<u>Foundation</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 203,939	\$ 100,000	\$ 303,939
Operating investments	947,999	292,729	1,240,728
Accounts receivable		1,894	1,894
Prepaid expenses and deposits	82,992	21,317	104,309
Board designated investments	<u>33,799</u>	<u>190,787</u>	<u>224,586</u>
TOTAL ASSETS	<u>\$ 1,268,729</u>	<u>\$ 606,727</u>	<u>\$ 1,875,456</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	\$ 77,788	\$ 9,289	\$ 87,077
Payroll liabilities		3,998	3,998
Conditional contributions	86,756		86,756
Deferred revenue	<u>70,935</u>		<u>70,935</u>
TOTAL LIABILITIES	235,479	13,287	248,766
NET ASSETS			
Without Donor Restrictions			
Undesignated		402,653	402,653
Board designated - Foundation		190,787	190,787
Board designated - Extracurricular programs	<u>1,033,250</u>		<u>1,033,250</u>
TOTAL NET ASSETS	<u>1,033,250</u>	<u>593,440</u>	<u>1,626,690</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,268,729</u>	<u>\$ 606,727</u>	<u>\$ 1,875,456</u>

See Auditor's Report

Torrey Pines High School Foundation, Inc.

Supplementary Information

Schedule of Board Designated Net Assets - Extracurricular Programs

For the Year Ended June 30, 2024

Board designated Investment Funds	\$	33,799
Academic Team		11,703
Dance		69,534
Dance PE		18,435
Library		7,161
Music		56,316
Robotics Team		1,699
Science Olympiad		7,593
Speech and Debate		11,078
Synthetic Biology - iGEM		3,234
Theater		2,866
General Athletic Fund		20,127
Badminton		11,176
Baseball		38,282
Basketball - Boys		71,996
Basketball - Girls		35,850
Cheerleading		39,360
Cheer CIF		187
Cross Country		20,086
Field Hockey		30,098
Flag Football		17,981
Football		121,829
Golf - Boys		12,382
Golf - Girls		2,532
Gymnastics		(587)
Lacrosse - Boys		23,790
Lacrosse - Girls		17,586
Soccer - Boys		41,359
Soccer - Girls		28,953
Softball		32,326
Swimming		22,804
Tennis - Boys		19,431
Tennis - Girls		29,948
Track		58,596
Volleyball - Boys		12,711
Volleyball - Girls		21,040
Sand Volleyball - Boys		10,113
Sand Volleyball - Girls		4,629
Waterpolo - Boys		7,088
Waterpolo - Girls		20,826
Wrestling		12,241
G & J Jacobs Athletics Fund		825
Scoreboard Project		7,715
Miscellaneous Clubs Funds		16,551
Total	See Auditor's Report	\$ <u><u>1,033,250</u></u>

Torrey Pines High School Foundation, Inc.

Supplementary Information

Schedule of Activities by Program

For the Year Ended June 30, 2024

	<u>Extracurricular Programs</u>	<u>Foundation</u>	<u>Total</u>
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 1,396,802	314,472	\$ 1,711,274
Contributed nonfinancial assets	4,996	63,921	68,917
Registration fees and event tickets	748,040		748,040
Facilities rental fees		149,270	149,270
Sales of goods	186,175	4,885	191,060
Special events			
Gross special events revenue	110,168	50,685	160,853
Less: cost of direct benefits to donors	(19,833)	(40,702)	(60,535)
Contributed nonfinancial assets	11,931	13,702	25,633
Less use of contributed nonfinancial assets	(11,931)	(13,702)	(25,633)
Special events, net	<u>90,335</u>	<u>9,983</u>	<u>100,318</u>
Net investment return	<u>1,228</u>	<u>43,936</u>	<u>45,164</u>
Total Revenue, Support, and Gains	<u>2,427,576</u>	<u>586,467</u>	<u>3,014,043</u>
EXPENSES			
Program Services			
Extracurricular programs	2,527,385		2,527,385
Foundation programs		514,582	514,582
Total Program Services	<u>2,527,385</u>	<u>514,582</u>	<u>3,041,967</u>
Supporting Services			
Management and general		90,676	90,676
Fundraising		56,367	56,367
Total Supporting Services	<u>-</u>	<u>147,043</u>	<u>147,043</u>
Total Expenses	<u>2,527,385</u>	<u>661,625</u>	<u>3,189,010</u>
CHANGE IN NET ASSETS	\$ (99,809)	\$ (75,158)	\$ (174,967)
NET ASSETS, BEGINNING OF YEAR	<u>1,133,059</u>	<u>\$ 668,598</u>	<u>1,801,657</u>
NET ASSETS, END OF YEAR	<u>\$ 1,033,250</u>	<u>\$ 593,440</u>	<u>\$ 1,626,690</u>

See Auditor's Report