

**CORONADO SCHOOLS FOUNDATION
FINANCIAL STATEMENTS
JUNE 30, 2025**

CORONADO SCHOOLS FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coronado Schools Foundation

Opinion

We have audited the accompanying financial statements of Coronado Schools Foundation, a nonprofit foundation, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, 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 Coronado Schools Foundation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States 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 Coronado Schools Foundation 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Coronado Schools 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

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 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 Coronado Schools 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about Coronado Schools Foundation'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.



CONSIDINE & CONSIDINE
An accountancy corporation

September 23, 2025

CORONADO SCHOOLS FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTALS
ASSETS			
CURRENT ASSETS			
Cash (note 3)	\$ 1,171,938	\$ 1,836,615	\$ 3,008,553
Certificate of deposit	27,751	-	27,751
Pledges receivable	77,691	-	77,691
Prepaid expenses	50,831	-	50,831
	<u>1,328,211</u>	<u>1,836,615</u>	<u>3,164,826</u>
PROPERTY AND EQUIPMENT (note 4)	3,672	-	3,672
OTHER ASSETS			
Investments (note 5)	<u>5,714,989</u>	<u>3,119,996</u>	<u>8,834,985</u>
TOTAL ASSETS	<u><u>7,046,872</u></u>	<u><u>4,956,611</u></u>	<u><u>12,003,483</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	17,546	-	17,546
Accrued scholarships and grants	16,519	-	16,519
Block grants due	280,389	-	280,389
	<u>314,454</u>	<u>-</u>	<u>314,454</u>
TOTAL LIABILITIES	314,454	-	314,454
NET ASSETS (note 8)	<u>6,732,418</u>	<u>4,956,611</u>	<u>11,689,029</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,046,872</u></u>	<u><u>\$ 4,956,611</u></u>	<u><u>\$ 12,003,483</u></u>

See accompanying notes

CORONADO SCHOOLS FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTALS
REVENUE			
Contributions	\$ 142,730	\$ 105,171	\$ 247,901
In-kind (note 9)	43,800	-	43,800
	186,530	105,171	291,701
Special events and activities			
Special events and activities revenue	688,302	-	688,302
Direct benefits to donors	(68,956)	-	(68,956)
	619,346	-	619,346
Net assets released from restriction (note 8)	320,501	(320,501)	-
	1,126,377	(215,330)	911,047
EXPENSES			
Management and general	91,062	-	91,062
Development	223,718	-	223,718
	314,780	-	314,780
Operating activity before program expense	811,597	(215,330)	596,267
Program services	1,172,577	-	1,172,577
TOTAL OPERATING ACTIVITY	(360,980)	(215,330)	(576,310)
OTHER INCOME (note 5)			
Realized and unrealized gain, net	535,124	278,109	813,233
Interest and dividend income	216,645	170,436	387,081
	751,769	448,545	1,200,314
CHANGE IN NET ASSETS	390,789	233,215	624,004
NET ASSETS, BEGINNING	6,341,629	4,723,396	11,065,025
NET ASSETS, END	\$ 6,732,418	\$ 4,956,611	\$ 11,689,029

See accompanying notes

**CORONADO SCHOOLS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

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	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTALS</u>
EXPENSES				
Bank service charges	\$ -	\$ 6,447	\$ 6,447	\$ 12,894
Designated donations	55,810	-	-	55,810
District program funding	2,747	-	-	2,747
District site program grants	849,217	-	-	849,217
Donor recognition	-	-	375	375
Endowment management (in house)	3,000	-	-	3,000
Foundation grant	30,000	-	-	30,000
In-kind rent	33,288	5,256	5,256	43,800
Insurance	10,552	10,552	10,552	31,656
Marketing	6,616	-	6,615	13,231
Office and administrative	6,038	12,074	6,038	24,150
Payroll taxes	7,203	3,791	7,961	18,955
Professional services	20,899	-	-	20,899
Scholarships	52,596	-	-	52,596
Special event costs and supplies	-	-	86,051	86,051
Special event food and beverage	-	-	58,809	58,809
Wages	94,611	49,794	104,570	248,975
TOTAL EXPENSES BEFORE DEPRECIATION	1,172,577	87,914	292,674	1,553,165
Depreciation	-	3,148	-	3,148
TOTAL EXPENSES	1,172,577	91,062	292,674	1,556,313
Less: Direct benefits to donors at special events included in revenue	-	-	(68,956)	(68,956)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	<u>\$ 1,172,577</u>	<u>\$ 91,062</u>	<u>\$ 223,718</u>	<u>\$ 1,487,357</u>

See accompanying notes

**CORONADO SCHOOLS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

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CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	
Change in net assets	\$ 624,004
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	
Depreciation	3,148
Net change in certificate of deposit	(1,571)
Realized and unrealized gain, net	(813,233)
Changes in operating assets and liabilities:	
Pledges receivable	198,811
Prepaid expenses	1,439
Accounts payable and accrued liabilities	(20,746)
Accrued scholarships and grants	(7,355)
Block grants due	30,885
	<u>(608,622)</u>
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	15,382
NET CASH PROVIDED BY INVESTING ACTIVITIES	
Purchases of investments	(1,506,415)
Redemption of U.S. Treasury bills	3,307,000
Sales of investments	166,658
	<u>1,967,243</u>
NET INCREASE IN CASH	<u>1,982,625</u>
CASH, BEGINNING OF YEAR	<u>1,025,928</u>
CASH, END OF YEAR	<u><u>\$ 3,008,553</u></u>

See accompanying notes

CORONADO SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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NOTE 1 THE FOUNDATION

The Coronado Schools Foundation (Foundation) was incorporated under the laws of the State of California in April 1981 as a nonprofit community foundation. The Foundation operates exclusively for educational and charitable purposes, in order to promote and help maintain quality education and the welfare of all students within the boundaries of the Coronado Unified School District (CUSD). The Foundation is supported primarily through partners in education - donations from parents and community members - as well as business partners in education and proceeds from special fundraising events. Additional program funding is provided by returning a target rate of 5% annually, per the Foundation's investment policy, from the general endowment, the board-designated Frances G. Harpst Legacy gift and the Jill Hardman Fund for Fine Arts, with a range of 4-6%.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting — The financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles (GAAP) in the United States.

Basis of presentation — The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. The Foundation follows standards regarding classification of Endowment Funds of nonprofits subject to an enacted version of the Uniform Prudent Management of Institutional Funds Acts (UPMIFA) and enhanced disclosures in the endowment.

Estimates — Management of the Foundation has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

Financial statement presentation — The Foundation follows the Financial Accounting Standards Board's (FASB) Financial Statements of Not-for-Profit Foundations for presentation of its financial statements which require that net assets, support, revenue and gains, expenses and losses be classified as with donor restrictions and without donor restrictions.

Net assets without donor restrictions — These net assets consist of assets which are fully available, at the discretion of management and the Board of Directors, for the Foundation to utilize in any of its programs or supporting services. Net assets without donor restrictions also include amounts designated for certain purposes by the Board of Directors.

Net assets with donor restrictions — These net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Foundation may spend the funds. These net assets also include amounts that are restricted by donors that neither expire by the passage of time nor can be fulfilled or removed by actions of the Foundation.

CORONADO SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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Cash — The Foundation considers financial instruments with a fixed maturity date of less than three months to be cash equivalents.

Certificate of deposit — The certificate of deposit is reported at cost. At June 30, 2025, the Foundation had a certificate of deposit at a commercial bank for \$27,751. The rate of interest is 4.0% and the maturity date is September 19, 2025.

Pledges receivable — Pledges receivable consist of donor promises to give. It is the Foundation's policy to charge off uncollectible pledges receivable when management determines the pledge will not be collected. As of June 30, 2025, all pledges are considered collectible.

Credit losses — The Foundation follows standards applicable to accounting for credit losses, which replaces the current expected credit loss methodology with an expected credit loss methodology that is referred to as the current expected credit loss methodology. The measurement of expected credit losses under the current expected credit loss methodology is applicable to trading receivables, financing receivables, held-to-maturity debt securities, and receivables relating to repurchase agreements and securities lending agreements. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. At June 30, 2025, there was no allowance for credit losses.

Property and equipment — Property and equipment are carried at cost. It is the policy of management to capitalize property and equipment in excess of \$1,000. Depreciation is computed using the straight-line method of depreciation over the asset's estimated useful life of five years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Fair value measurement — The Foundation follows accounting standards consistent with the FASB Codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Investments — The Foundation carries investments in marketable securities with readily determinable values at fair value in the statement of financial position. Realized and unrealized gains and losses are included in the accompanying statement of activities and changes in net assets. Investment income is recognized as revenue in the period it is earned.

Revenue and donor-imposed restrictions — All contributions are considered to be unrestricted unless specifically restricted by the donor. Amounts received designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions, increasing that net asset class. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as restricted and then released from restriction in the same period.

Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets with donor restrictions until the restriction is fulfilled.

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NOTES TO THE FINANCIAL STATEMENTS
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The Foundation follows the FASB Accounting Standards Codification ("ASC") Topic 606 ("ASC 606") Revenue from Contracts with Customers, which provides guidance for revenue recognition. This ASC's core principle requires an organization to recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods and services. The standard also clarifies the principal versus agent considerations, providing the evaluation must focus on whether the entity has control of the goods or services before they are transferred to the customer.

The Foundation follows the FASB-issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made which provides clarification regarding the accounting for contracts and agreements as exchange transactions or contributions and provides improved guidance to better distinguish between conditional and unconditional contributions.

In-kind donations — The Foundation follows standards relating to contributions received and contributions made as consistent with the FASB Codification. These standards require recording the value of donated services that create or enhance non-financial assets or require specialized skills. Although many individuals donated significant time to the Foundation, these services did not meet the above criteria for recognition for the year ended June 30, 2025.

Functional allocation of expenses — The Foundation allocates its expenses on a functional basis among its various programs and support services. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditure. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Foundation's management.

Income taxes — The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and under Section 23701(d) of the California Franchise Tax Code.

The Foundation follows accounting standards which clarify the accounting uncertainty in income taxes recognized in the financial statements and prescribes a recognition threshold and measurement attribute for the financial statements and recognition and measurement of a tax position taken or expected to be taken in the tax return. It also provides guidance on derecognition and measurement of a tax position taken or to be taken in a tax return. As of June 30, 2025, the Foundation has no accrued interest or penalties related to uncertain tax positions. The Foundation files tax returns in the U.S. Federal jurisdiction and the State of California.

NOTE 3 CASH

The Foundation maintains its cash balances in one regional bank located in California. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Foundation has not experienced any loss in such accounts. As of June 30, 2025, the uninsured balance was \$534,959. The Foundation believes it is not exposed to any significant credit risks on its cash balances.

The Foundation maintains a cash balance account with its investment broker. The accounts are insured by the Securities Investor Protection Corporation (SIPC) up to \$250,000. The Foundation has not

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JUNE 30, 2025

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experienced any loss in such accounts. As of June 30, 2025, the uninsured balance was \$2,572,389. The Foundation believes it is not exposed to any significant credit risks on its cash balance.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2025:

Office equipment	\$ 17,238
Accumulated depreciation	(13,566)
	<u>\$ 3,672</u>

Depreciation expense was \$3,148 for the year ended June 30, 2025.

NOTE 5 INVESTMENTS

Investments are stated at fair value and consist of the following at June 30, 2025:

	Cost	Fair Value
Index funds	\$ 3,091,564	\$ 6,916,135
Mutual funds	1,544,870	1,561,300
U.S. Treasury bills	356,205	357,550
	<u>\$ 4,992,639</u>	<u>\$ 8,834,985</u>

The Foundation's stock mutual funds and treasury bills are insured by the SIPC up to \$500,000, including up to \$250,000 of cash.

The following schedule summarizes the Foundation's return on long-term investments and its classification in the statement of activities and changes in net assets for the year ended June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Realized and unrealized gain, net	\$ 535,124	\$ 278,109	\$ 813,233
Interest and dividends	216,645	170,436	387,081
Total investment return	<u>\$ 751,769</u>	<u>\$ 448,545</u>	<u>\$ 1,200,314</u>

Investment return is shown net of investment management fees of \$34,596 for the year ended June 30, 2025.

NOTE 6 FAIR VALUE MEASUREMENT

The Foundation follows the method of fair value to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and

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comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to level 1 inputs.

Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

Investments in stock and bond index and mutual funds are revalued at market prices in active markets and are classified as level 1.

The investments in U.S. Treasury bills are valued by using quoted prices of securities with similar characteristics. These assets are classified as level 2 investments.

Financial assets carried at fair value and measured on a recurring basis at June 30, 2025 are classified below in one of the three levels described above:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Index funds	\$ 6,916,135	\$ -	\$ -	\$ 6,916,135
Mutual funds	1,561,300	-	-	1,561,300
U.S. Treasury bills	-	357,550	-	357,550
	<u>\$ 8,477,435</u>	<u>\$ 357,550</u>	<u>\$ -</u>	<u>\$ 8,834,985</u>

NOTE 7 ENDOWMENT FUNDS

The Foundation has interpreted UPMIFA as requiring the presentation of the fair value of the original gift as of the gift date of the donor-restricted Endowment Funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted Endowment Funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted Endowment Funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income/losses and the appreciation/depreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

**CORONADO SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
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The Policy Manual of the Foundation prescribes that an Endowment Fund shall be maintained for the purpose of ensuring the Foundation's continued financial viability. The primary goal for the management of the Endowment Fund is to preserve the real (i.e., inflation-adjusted) purchasing power of principal and income after accounting for endowment spending, inflation, and costs of investment management. The Finance Committee shall oversee the Endowment Fund in such a manner as to, first, minimize risk of loss of the Endowment Fund's principal, and second, achieve the maximum return available consistent with prudent investment standards. The portfolio manager shall be authorized to invest the Endowment Fund's assets as set forth by the Foundation's approved investment policy. The Foundation has committed to return a range of 4-6% with a target rate of 5% of its value annually first to benefit its administrative and overhead costs and second to the CUSD, per its investment policy.

As of June 30, 2025, the Foundation held in trust eight sub-endowment funds in addition to its General Endowment Fund. The details of these eight sub-endowments are summarized as follows:

Shelia Davis Lawrence Endowment Fund — The Foundation received an endowment for the purpose of providing a portion of investment income and capital gains to the Foundation to be used for program expenses.

Jill Hardman Art Fund — The Foundation received an estate gift to be used towards fine arts.

Robert J. Oliver Scholarship Fund — The Foundation received an endowment from a donor family for the purpose of granting an annual scholarship to an eligible student within the CUSD who will be attending a college or university in the following Foundation year.

Burke Couture Scholarship Fund — The Foundation received an endowment from a donor family for the purpose of granting an annual scholarship to an eligible student within the CUSD who will attend either University of San Diego or San Diego State University.

Tanya Hagen Scholarship Fund — The Foundation received an endowment of \$50,000 from a donor family for the purpose of granting an annual scholarship to an eligible graduating student within the CUSD who will be attending a college or university in the following Foundation year.

Patricia Davy Scholarship Fund — Coronado High School received an estate gift to fund an annual scholarship for an eligible student within the CUSD.

Jean Landon Fund — The Foundation has an endowment of \$50,000 in honor of Jean Landon, with the purpose of granting an award to a Coronado High School graduating senior girl, who has demonstrated excellence in community service, academics, and serves as an inspiration to others.

Patricia Lyons Fund — The Foundation has an endowment of \$1,280,000 in honor of Patricia Lyons and is restricted to use in special education and mental health.

The Endowment Funds are held mainly as investments on the statement of financial position, with some amounts held in cash.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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The Foundation had the following endowment-related activities and changes in endowment net assets for the year ended June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ -	\$ 4,638,593	\$ 4,638,593
Contributions	-	2,600	2,600
Investment income, net amounts	-	448,545	448,545
Appropriated for expenditure	-	(202,646)	(202,646)
Endowment net assets, end	<u>\$ -</u>	<u>\$ 4,887,092</u>	<u>\$ 4,887,092</u>

From time to time, the fair value of assets associated with restricted funds may fall below the original gift received. In accordance with GAAP, deficiencies of this nature that are reported in net assets with donor restrictions were \$39,447 as of June 30, 2025. The original endowment gift to be held in perpetuity related to the underwater endowment was \$50,000. At June 30, 2025, the fair value of the underwater endowment fund was \$10,553. These deficiencies resulted from the donor requesting to continue the appropriation of specified amounts in years when the investment of the permanently restricted funds did not yield sufficient returns.

Included in the with donor restrictions amount above are \$1,412,547 to be held in perpetuity, net of the deficiencies noted above.

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NOTE 8 NET ASSETS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by donors during the year ended June 30, 2025:

Purpose restrictions accomplished:

Grants - CUSD	\$ 30,000
CAWF	24,850
Partners in education	24,700
CES Robotics	10,000
Elementary playground mural	10,000
Scholarships	7,195
Teacher wish lists	6,110
Mosaic restoration	5,000
	<hr/> 117,855

Endowment Funds:

Jill Hardman Art Fund	98,110
Restricted	86,314
Robert J. Oliver Scholarship Fund	5,500
Burke Couture Scholarship Fund	4,000
Tanya Hagen Scholarship Fund	2,500
Patricia Davy Scholarship Fund	2,500
Jean Landon Fund	2,500
Shelia Davis Lawrence Endowment Fund	1,222
	<hr/> 202,646

Total restrictions released:	<hr/> \$ 320,501 <hr/>
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Net assets consisted of the following at June 30, 2025:

Without donor restrictions:

Board-designated	\$ 6,530,565
Unrestricted and undesignated	<u>201,853</u>
	6,732,418

With donor restrictions:

Purpose restricted

Jill Hardman Art Fund	1,590,536
Patricia Lyons Fund	1,338,442
Restricted	301,703
Shelia Davis Lawrence Endowment Fund	72,026
Jean Landon Fund	69,934
Scholarships	63,408
Burke Couture Scholarship Fund	54,001
Patricia Davy Scholarship Fund	25,830
Tanya Hagen Scholarship Fund	22,072
Mosaic restoration	<u>6,111</u>
	3,544,064

Investments in perpetuity

Restricted	1,150,000
Shelia Davis Lawrence Endowment Fund	107,500
Tanya Hagen Scholarship Fund	51,179
Robert J. Oliver Scholarship Fund	50,000
Patricia Davy Scholarship Fund	49,344
Burke Couture Scholarship Fund	<u>43,971</u>
	1,451,994

Robert J. Oliver Scholarship Fund - deficiency (note 7)	<u>(39,447)</u>
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4,956,611

Total net assets	<u><u>\$ 11,689,029</u></u>
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The Board has designated for future use donations received from Frances G. Harpst Legacy in previous years. Included in board-designated net assets is income earned from investing the Frances G. Harpst funds less any board-approved appropriation, such as the amount returned annually, that is reflected in the district site program grants line on the statement of functional expenses.

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NOTE 9 CONTRIBUTED NON-FINANCIAL ASSETS

Contributed non-financial assets recognized in the statement of activities and changes in net assets consisted of the following for the year ended June 30, 2025:

	Revenue Recognized	Valuation Technique
Goods:		
Office space rent	\$ 43,800	Fair market value of similar space

The contributed non-financial assets were utilized for the Foundation's program, administrative, and development purposes.

NOTE 10 RETIREMENT BENEFIT PLAN

The Foundation sponsors a 401(k) plan which covers all eligible employees. Eligible employees can elect to contribute up to 100% of their base salary after three months of employment. The Foundation matches 100% of employee contributions, up to 4% of total compensation. During the year ended June 30, 2025, the Foundation made \$8,436 in matching contributions. In addition, the Foundation has elected to make profit sharing contributions to the plan on behalf of qualifying participants. All profit-sharing contributions to the plan made by the Foundation will be at the Foundation's discretion. For each plan year, the Foundation may contribute an amount to be determined from year to year. The Foundation did not make any profit sharing contributions to the plan for the year ended June 30, 2025.

NOTE 11 LIQUIDITY AND AVAILABILITY

The Foundation is substantially supported by regular annual donor contributions without restrictions. Those unrestricted donations are what fund the general operating and program expenses of the Foundation. On occasion, the Foundation may receive a donor contribution with restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, those restricted financial assets may not be available for general expenditure.

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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 fundraises all year long building up excess reserves, and then near the fiscal year end determines how much in program grants will be returned to the CUSD for its upcoming school year. The annual grant consists of the increase in net assets from the Foundation's fundraising operations during the fiscal year, plus a portion of the endowment funds as described in note 7. After the grant amount is determined, roughly half of the total grant is paid to the CUSD at the fiscal year end, and the second half is paid in the fall. Holding onto the funds of the second installment allows the Foundation some liquidity in the immediate months following the fiscal year end and prior to major fundraising. During the year as excess resources are built up, the Foundation invests cash in excess of regular requirements in short-term liquid investments.

Financial assets at year end:

Cash	\$ 3,008,553
Certificate of deposit	27,751
Pledges receivable	77,691
Investments	<u>8,834,985</u>
	11,948,980

Less those unavailable for general expenditures within one year due to:

Contractual or donor imposed restrictions:	
Board-designated	(6,530,565)
Restricted by purpose restrictions	<u>(4,956,611)</u>
	<u>(11,487,176)</u>

Financial assets available to meet general expenditures within one year	<u><u>\$ 461,804</u></u>
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NOTE 12 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 23, 2025, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.