

**CORONADO SCHOOLS FOUNDATION  
FINANCIAL STATEMENTS  
JUNE 30, 2019**

## **CORONADO SCHOOLS FOUNDATION**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Coronado Schools Foundation

We have audited the accompanying financial statements of Coronado Schools Foundation, a nonprofit organization, which comprise the statements of financial position as of June 30, 2019, 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.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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.

**Auditor's Responsibility**

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

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coronado Schools Foundation as of June 30, 2019, 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.

A handwritten signature in dark ink, appearing to read "Considine & Considine". The script is cursive and somewhat stylized.

CONSIDINE & CONSIDINE  
An accountancy corporation

October 11, 2019

**CORONADO SCHOOLS FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2019**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTALS
ASSETS			
CURRENT ASSETS			
Cash (note 3)	\$ 680,888	\$ 79,904	\$ 760,792
Certificate of deposit	25,056	-	25,056
Pledges receivable (note 4)	10,352	1,363,000	1,373,352
Prepaid expenses	14,514	-	14,514
	730,810	1,442,904	2,173,714
PROPERTY AND EQUIPMENT (note 5)	2,878	-	2,878
OTHER ASSETS			
Investments (note 7)	5,200,863	1,451,443	6,652,306
TOTAL ASSETS	5,934,551	2,894,347	8,828,898
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	42,498	-	42,498
Block grants due	757,090	-	757,090
Accrued scholarships and grants	40,873	-	40,873
Unearned revenue	32,895	-	32,895
TOTAL LIABILITIES	873,356	-	873,356
NET ASSETS (note 9)	5,061,195	2,894,347	7,955,542
TOTAL LIABILITIES AND NET ASSETS	\$ 5,934,551	\$ 2,894,347	\$ 8,828,898

See accompanying notes

**CORONADO SCHOOLS FOUNDATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTALS
REVENUE			
Contributions	\$ 379,270	\$ 1,452,681	\$ 1,831,951
Interest and dividend income (note 7)	129,746	34,447	164,193
Realized and unrealized gain, net (note 7)	160,235	45,219	205,454
Enrichment tuition	85,674	-	85,674
	<u>754,925</u>	<u>1,532,347</u>	<u>2,287,272</u>
Special Events and Activities (note 11)			
Special events and activities revenue	551,975	-	551,975
Direct benefits to donors	(58,235)	-	(58,235)
	<u>493,740</u>	<u>-</u>	<u>493,740</u>
Net assets released from restriction	<u>74,024</u>	<u>(74,024)</u>	<u>-</u>
	1,322,689	1,458,323	2,781,012
EXPENSES			
Program services	1,036,460	-	1,036,460
Management and general	108,812	-	108,812
Development	231,473	-	231,473
	<u>1,376,745</u>	<u>-</u>	<u>1,376,745</u>
CHANGE IN NET ASSETS	(54,056)	1,458,323	1,404,267
NET ASSETS, BEGINNING	<u>5,115,251</u>	<u>1,436,024</u>	<u>6,551,275</u>
NET ASSETS, END	<u>\$ 5,061,195</u>	<u>\$ 2,894,347</u>	<u>\$ 7,955,542</u>

See accompanying notes

**CORONADO SCHOOLS FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

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	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTALS</u>
EXPENSES				
Bank service charges	\$ -	\$ 7,561	\$ 7,561	\$ 15,122
Community involvement	702	-	702	1,404
Designated donations	19,825	-	-	19,825
District program funding	41,324	-	-	41,324
District site program grants	739,090	-	-	739,090
Donor recognition	-	-	8,346	8,346
Endowment management (in house)	1,000	1,000	-	2,000
Foundation grant	30,000	-	-	30,000
In-kind rent and services	27,360	4,320	4,320	36,000
Insurance	6,351	6,351	6,351	19,053
Marketing	-	-	19,260	19,260
Office and administrative	11,282	22,564	11,282	45,127
Payroll taxes	6,930	4,950	7,920	19,801
Professional services	5,212	5,212	5,212	15,636
PTA support	994	-	-	994
Scholarships	33,595	-	-	33,595
Special event costs and supplies	-	-	58,198	58,198
Special event food and beverage	-	-	49,794	49,794
Training and seminars	2,033	-	-	2,033
Wages	110,762	55,381	110,762	276,905
TOTAL EXPENSES BEFORE DEPRECIATION	1,036,460	107,339	289,708	1,433,507
Depreciation	-	1,473	-	1,473
TOTAL EXPENSES	1,036,460	108,812	289,708	1,434,980
Less: Direct benefits to donors at special events included in revenue	-	-	(58,235)	(58,235)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	<u>\$ 1,036,460</u>	<u>\$ 108,812</u>	<u>\$ 231,473</u>	<u>\$ 1,376,745</u>

See accompanying notes

**CORONADO SCHOOLS FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**CASH FLOWS USED BY OPERATING ACTIVITIES**

Change in net assets	\$ 1,404,267
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**ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO  
NET CASH USED BY OPERATING ACTIVITIES**

Depreciation	1,473
Realized and unrealized gain, net	(205,454)
Changes in operating assets and liabilities:	
Pledges receivable	(1,346,687)
Prepaid expenses	2,591
Accounts payable and accrued liabilities	(13,610)
Block grants due	209,975
Accrued scholarships and grants	(40,024)
Unearned revenue	(15,258)
	(1,406,994)

NET CASH FLOWS USED BY OPERATING ACTIVITIES	(2,727)
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**NET CASH PROVIDED BY INVESTING ACTIVITIES**

Net change in certificate of deposit	(38)
Purchases of property and equipment	(1,766)
Purchases of investments	(159,530)
Proceeds on sales of investments	166,350
	5,016

NET INCREASE IN CASH	2,289
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CASH, BEGINNING OF YEAR	758,503
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CASH, END OF YEAR	\$ 760,792
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See accompanying notes



**CORONADO SCHOOLS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

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**NOTE 1 THE ORGANIZATION**

The Coronado Schools Foundation (Foundation) was incorporated under the laws of the State of California in April, 1981 as a nonprofit community organization. The Foundation operates exclusively for educational and charitable purposes, in order to promote and help maintain quality education and the welfare of all the 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 both the general endowment and the board designated Frances G. Harpst Legacy gift, 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 generally accepted accounting principles. Actual results could differ from those estimates.

Financial statement presentation - The Organization follows the Financial Accounting Standards Board's (FASB) Financial Statements of Not-for-Profit Organizations 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 - Consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization 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.

**CORONADO SCHOOLS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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 Organization 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 Organization.

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, 2019, the Foundation had a certificate of deposit at a commercial bank for \$25,056. The rate of interest is 2.20% and the maturity date is May 2020.

Pledges receivable - The pledges receivable consist of donor promises to give. It is the Organization's policy to charge off uncollectible pledges receivable when management determines the pledge will not be collected. As of June 30, 2019, all pledges are considered collectible.

Property and equipment - Property and equipment are carried at cost. 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 Financial Accounting Standards Board (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.

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.

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 donate significant time to the Foundation these services did not meet the above criteria for recognition for the year ended June 30, 2019.

**CORONADO SCHOOLS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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The Foundation records donated facilities at fair value. The Foundation received \$36,000 in donated office space rent for the year ended June 30, 2019.

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, 2019, 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.

In August 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization's management elected to adopt this ASU effective for the year ending June 30, 2019.

The new standards change the following aspects of the Organization's financial statements:

- The temporarily and permanently restricted net asset classes have been renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (note 10).
- The net asset disclosure was expanded.
- The description of the method of allocation of functional expenses has been expanded.
- Deficiencies in endowment funds has changed from unrestricted net assets to net assets with donor restrictions.

**CORONADO SCHOOLS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2019, the uninsured balance is \$0. 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 experienced any loss in such accounts. As of June 30, 2019, the uninsured balance is \$116,585. The Foundation believes it is not exposed to any significant credit risks on its cash balance.

**NOTE 4 PLEDGES RECEIVABLE**

Pledges receivable includes a gift from the Jill Hardman Estate and is to be restricted to be spent on fine arts in the CUSD. The Foundation will receive the funds once a designated condominium in Coronado is sold, which is expected to occur in the year ending June 30, 2020. The receivable was recorded using the lower of an estimated range of the condominium's selling price.

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

Office equipment	\$ 19,468
Accumulated depreciation	<u>(16,590)</u>
	<u><u>\$ 2,878</u></u>

Depreciation expense was \$1,473 for the year ended June 30, 2019.

**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 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.

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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.

Financial assets carried at fair value and measured on a recurring basis at June 30, 2019 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				
Stock mutual funds	\$ 4,459,953	\$ -	\$ -	\$ 4,459,953
Bond mutual funds	2,192,353	-	-	2,192,353
Pledges receivable	-	-	1,363,000	1,363,000
	<u>\$ 6,652,306</u>	<u>\$ -</u>	<u>\$ 1,363,000</u>	<u>\$ 8,015,306</u>

Investments in mutual funds are revalued at market prices in active markets and are classified as Level 1.

The following summarizes fair value measurements using significant level 3 inputs, and changes therein, for the years ended June 30, 2019:

	<u>Pledges receivable</u>
Balance at July 1, 2018	\$ -
New pledges received	1,363,000
Collections	-
Discount on pledges	-
Balance at June 30, 2019	<u>\$ 1,363,000</u>

**NOTE 7     INVESTMENTS**

Investments are stated at fair value and consist of the following at June 30, 2019:

	<u>Cost</u>	<u>Fair Value</u>
Stock mutual funds	\$ 3,248,279	\$ 4,459,953
Bond mutual funds	2,165,032	2,192,353
	<u>\$ 5,413,311</u>	<u>\$ 6,652,306</u>

**CORONADO SCHOOLS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 129,746	\$ 34,447	\$ 164,193
Realized and unrealized gain, net	160,235	45,219	205,454
Total investment return	<u>\$ 289,981</u>	<u>\$ 79,666</u>	<u>\$ 369,647</u>

Investment return is shown net of investment management fees of \$20,191 for the year ended June 30, 2019.

**NOTE 8      ENDOWMENT FUND**

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 and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

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 CUSD, per its investment policy.

**CORONADO SCHOOLS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
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As of June 30, 2019 the Foundation held in trust five sub-endowment Funds in addition to its General Endowment Fund. The sub-endowment Funds are the Shelia Davis Lawrence (SDL) Endowment Fund, Burke Couture Scholarship Fund, Robert J. Oliver (RJO) Scholarship Fund, Patricia Davy Scholarship Fund and the Tanya Hagen Scholarship Fund. The details are summarized as follows:

SDL 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.

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 CUSD who will attend either University of San Diego or San Diego State University.

RJO 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.

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

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.

The Endowment Funds are reported as investments on the statement of financial position.

The Foundation has the following endowment related activities and changes in endowment net assets for the year ending June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ -	\$ 1,412,024	\$ 1,412,024
Contributions	-	-	-
Investment income, net amounts	-	79,666	79,666
Appropriated for expenditure	-	-	-
Endowment net assets, end	<u>\$ -</u>	<u>\$ 1,491,690</u>	<u>\$ 1,491,690</u>

From time to time, the fair value of assets associated with restricted funds may fall below the level that the donor requires the Foundation to retain permanently. In accordance with GAAP, deficiencies of this nature that are reported in net assets with donor restrictions was \$13,998 as of June 30, 2019. These deficiencies resulted from unfavorable market fluctuations that have occurred after the investment of permanently restricted funds and continued appropriation for certain programs that were deemed prudent by the Board of Directors.

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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9     NET ASSETS**

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time of other events specified by donors during the year ended June 30, 2019:

Purpose restrictions accomplished:

Grants - CUSD	\$     30,000
Scholarships	24,199
Partners in education	19,825
	<u>                    </u>
	<u>\$     74,024</u>

Net assets consisted of the following at June 30, 2019:

Without donor restrictions:

Unrestricted and undesignated	\$     25,884
Board designated	5,035,311
	<u>                    </u>
	5,061,195

With donor restrictions:

Jill Hardman Fine Arts Program	1,363,000
Investments in perpetuity	1,287,996
Endowment Funds' earnings	203,694
Scholarships	39,657
	<u>                    </u>
	2,894,347

Total net assets	<u><u>\$ 7,955,542</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.



**CORONADO SCHOOLS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 10 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.

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 goal is for the grant to nearly equal the net income for the year, effectively zeroing out the Foundation's statement of activities and changes in net assets. After the grant amount is determined, roughly half of the total grant is paid to 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 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 and cash equivalents	\$ 760,792
Accounts receivable	1,373,352
Investments	<u>6,652,306</u>
	<u>8,786,450</u>

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

Contractual or donor imposed restrictions:

Restricted by purpose restrictions	(2,894,347)
Board designated	<u>(5,035,311)</u>
	<u>(7,929,658)</u>

Financial assets available to meet general expenditures within one year	<u><u>\$ 856,792</u></u>
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**CORONADO SCHOOLS FOUNDATION**  
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**NOTE 11 SPECIAL EVENTS AND ACTIVITIES**

Revenues and expenses from special events and activities are directly related to fundraising and consist of the following:

Revenue:	
Benefit auction contributions	\$ 384,034
Supporter/telethon donations	167,941
	<u>551,975</u>
Less: direct benefit to donors	<u>(58,235)</u>
	493,740
Expenses:	
Auction expenses:	
Event costs and supplies	51,911
Food and beverage	48,735
Wages and payroll taxes	5,534
Bank service charges	9,093
Office	6,635
Marketing	1,106
	<u>123,013</u>
Telethon expenses:	
Wages and payroll taxes	16,601
Event cost and supplies	6,057
Office	1,290
Marketing	3,395
Food and beverage	1,059
	<u>28,401</u>
Total auction and telethon expenses	151,414
Less: direct benefit to donors at special events netted with revenue	<u>(58,235)</u>
	<u>93,179</u>
Net special events and activities	<u><u>\$ 400,561</u></u>

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**NOTE 12    SUBSEQUENT EVENTS**

The Foundation has evaluated events through October 11, 2019, the date at 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.