



SAN MARINO SCHOOLS FOUNDATION

JUNE 30, 2024 AND 2023

FINANCIAL STATEMENTS &
INDEPENDENT AUDITORS' REPORT

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SAN MARINO SCHOOLS FOUNDATION

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JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees of the
San Marino Schools Foundation
San Marino, California

Opinion

We have audited the accompanying financial statements of San Marino Schools Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years 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 San Marino Schools Foundation as of June 30, 2024 and June 30, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 San Marino 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 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 San Marino 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.



The Board of Trustees of the
San Marino Schools Foundation
San Marino, California

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

Lance, Soll & Loughard, LLP

Brea, California
October 17, 2024

SAN MARINO SCHOOLS FOUNDATION

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Current Assets:		
Cash and cash equivalents	\$ 201,199	\$ 350,139
Prepaid expenses	6,882	11,024
Total Current Assets	208,081	361,163
Beneficial Interest in Assets Held by California Community Foundation	4,763,551	4,526,995
Total Assets	\$ 4,971,632	\$ 4,888,158
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 2,082	\$ 5,713
Donations payable	12,339	18,716
Deferred income	-	4,500
Total Liabilities	14,421	28,929
Net Assets:		
Without donor restrictions		
Undesignated	175,271	317,984
Designated by board of trustees	3,367,972	3,683,553
	3,543,243	4,001,537
With donor restrictions	1,413,968	857,692
Total Net Assets	4,957,211	4,859,229
Total Liabilities and Net Assets	\$ 4,971,632	\$ 4,888,158

See Independent Auditors' Report and Notes to Financial Statements.

SAN MARINO SCHOOLS FOUNDATION

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Donations	\$ 2,104,276	\$ 1,100	\$ 2,105,376
Contributed office space (In-kind)	18,000	-	18,000
Net investment return on Endowment fund	328,730	-	328,730
Interest on cash and cash equivalents	31,568	-	31,568
Other income	279	-	279
Total Revenues, Gains and Other Support	2,482,853	1,100	2,483,953
Expenses:			
Program services	2,233,963	-	2,233,963
Management and general	101,348	-	101,348
Fundraising	50,660	-	50,660
Total Expenses	2,385,971	-	2,385,971
Changes in Net Assets	96,882	1,100	97,982
Net Assets, Beginning of Year	4,001,537	857,692	4,859,229
Reclassification of net assets	(555,176)	555,176	-
Net Assets, End of Year	\$ 3,543,243	\$ 1,413,968	\$ 4,957,211

See Independent Auditors' Report and Notes to Financial Statements.

SAN MARINO SCHOOLS FOUNDATION

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Donations	\$ 2,002,261	\$ 970	\$ 2,003,231
Contributed office space (In-kind)	18,000	-	18,000
Net investment return	300,080	-	300,080
Net assets released from restrictions	43,077	(43,077)	-
Total Revenues, Gains and Other Support	2,363,418	(42,107)	2,321,311
Expenses:			
Program services	2,283,068	-	2,283,068
Management and general	92,584	-	92,584
Fundraising	53,373	-	53,373
Total Expenses	2,429,025	-	2,429,025
Changes in Net Assets	(65,607)	(42,107)	(107,714)
Net Assets, Beginning of Year	4,067,144	899,799	4,966,943
Net Assets, End of Year	\$ 4,001,537	\$ 857,692	\$ 4,859,229

See Independent Auditors' Report and Notes to Financial Statements.

SAN MARINO SCHOOLS FOUNDATION

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024				2023			
	Program Services	Management and General	Fundraising	Total	Program Service	Management and General	Fundraising	Total
Expenses:								
Accounting and auditing	\$ -	\$ 30,900	\$ -	\$ 30,900	\$ -	\$ 29,500	\$ -	\$ 29,500
Advertising	-	2,812	-	2,812	-	4,698	-	4,698
Catering	-	2,324	-	2,324	-	535	-	535
Donor Development	-	-	1,032	1,032	-	-	2,228	2,228
Software and office equipment	452	339	339	1,130	831	624	623	2,078
Events	13,580	-	13,580	27,159	14,942	-	14,942	29,884
Family Reception	-	-	2,764	2,764	1,369	-	1,369	2,738
Insurance	-	7,516	-	7,516	-	6,238	-	6,238
Marketing	17,591	2,154	16,155	35,901	21,330	2,612	19,589	43,531
Office rental (In-kind)	14,400	1,800	1,800	18,000	14,400	1,800	1,800	18,000
Postage	1,009	176	1,010	2,195	846	147	845	1,838
Printing	1,596	1,597	3,460	6,653	1,079	1,079	2,338	4,496
Salaries and benefits	81,270	10,159	10,159	101,588	73,520	9,190	9,190	91,900
Service charges	-	41,390	-	41,390	-	36,263	-	36,263
Supplies	361	181	361	903	449	224	449	1,122
Miscellaneous (income) expenses	-	-	-	-	(15,963)	(326)	-	(16,289)
Donations to SMUSD (see note 4)	2,099,990	-	-	2,099,990	2,170,265	-	-	2,170,265
Dong Brothers and Leslie Mar Funds	3,714	-	-	3,714	-	-	-	-
Total Expenses:	\$ 2,233,963	\$ 101,348	\$ 50,660	\$ 2,385,971	\$ 2,283,068	\$ 92,584	\$ 53,373	\$ 2,429,025

See Independent Auditors' Report and Notes to Financial Statements.

SAN MARINO SCHOOLS FOUNDATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 97,982	\$ (107,714)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Net realized and unrealized gains on Endowment fund	(300,254)	(286,656)
Changes in Assets and Liabilities:		
Prepaid expenses	4,142	(3,346)
Accounts and donations payable	(10,008)	15,153
Deferred income	(4,500)	4,500
Net Cash Used by Operating Activities	<u>(212,638)</u>	<u>(378,063)</u>
Cash Flows from Investing Activities		
Purchases of investments	(4,600)	-
Proceeds from sales of investments	68,298	-
Net Cash Used by Investing Activities	63,698	-
Net Change in Cash and Cash Equivalents	<u>(148,940)</u>	<u>(378,063)</u>
Cash and Cash Equivalents at Beginning of Year	<u>350,139</u>	<u>728,202</u>
Cash and Cash Equivalents at End of Year	<u>\$ 201,199</u>	<u>\$ 350,139</u>

See Independent Auditors' Report and Notes to Financial Statements.

SAN MARINO SCHOOLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Note 1: Nature of Organization and Significant Accounting Policies

The San Marino Schools Foundation (the "Foundation") is a not-for-profit corporation that sponsors benefits and solicits funds from the public for the exclusive use of the San Marino Unified School District ("SMUSD"). The Foundation is governed by a Board of Trustees (the "Board"), which is responsible for all activities of the Foundation, including approval of disbursements to SMUSD. Trustees serve a three-year term and receive no compensation for their services.

Note 2: Summary of Significant Accounting Policies

This summary of significant accounting policies of the Foundation is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Foundation's management who is responsible for their integrity and objectivity.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for non-restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to long-term purposes are excluded from this definition. There were no cash which are restricted at June 30, 2024 and 2023.

Concentration of Credit Risk

The Foundation has cash in a financial institution which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Foundation also has some credit risk through short term cash investments which are placed with a high-quality financial institution that is not insured by the FDIC but is a member of Securities Investor Protection Corporation (SIPC). Balances at SIPC are insured up to \$500,000. At various times throughout the year, the Foundation may have cash balances in these financial institutions which exceed the FDIC or SIPC limits. The Foundation has not experienced any losses on deposits of cash or cash equivalents.

Endowment Fund and Beneficial Interest in Assets held by the California Community Foundation

The Foundation established an endowment fund that is perpetual in nature and the fund is held by the California Community Foundation (CCF) in their Permanent Pool. CCF will only distribute funds to the Foundation upon the request of the Foundation. The fund is held and invested by the CCF for the Foundation's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Note 2: Summary of Significant Accounting Policies (Continued)

Fixed Assets

The Foundation records additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of assets. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. The Foundation's equipment and furniture primarily consists of computers and office furniture which are depreciated over estimated useful lives of five years.

The Foundation reviews the carrying values of equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. Depreciation expense for the year ended June 30, 2023 was \$874. Fixed assets are fully depreciated at June 30, 2023.

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 restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-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. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

Revenue and Revenue Recognition

Donations are recognized when cash, securities or other assets are received.

Note 2: Summary of Significant Accounting Policies (Continued)

Donated Services and In-Kind Contributions

Contributed nonfinancial asset primarily consists of donated office space from the San Marino Unified School District which are recorded at the respective fair values of the rent received. Fair value of donated rent, which is valued using market rate in the area, was \$18,000 for the years ended June 30, 2024 and 2023, respectively.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$2,812 and \$4,698 for the years ended June 30, 2024 and 2023, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include software and office equipment, marketing, office rental, postage, printing, salaries and benefits and supplies, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Foundation is organized pursuant to the General Nonprofit Corporation Law of the State of California. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Foundation is also exempt from California franchise taxes and certain general county real and personal property taxes.

The Foundation has been classified as an organization that is not a private foundation under IRC Section 509(a) and, as such, contributions to the Foundation qualify for deduction as charitable contributions.

The Corporation's Form 990, *Return of Organization Exempt from Income Tax* are subject to examination by the Internal Revenue Service, generally for three years after they were filed. Similarly, the Corporation's Form 199, *California Exempt Organization Annual Information Return* subject to examination by the Franchise Tax Board, generally for four years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SAN MARINO SCHOOLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Note 2: Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Date of Management's Review

The Foundation has evaluated subsequent events through October 17, 2024, the date on which the financial statements were available to be issued.

Note 3: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date are as follows:

	June 30,	
	2024	2023
Cash and cash equivalents	\$ 201,199	\$ 350,139
Endowment fund - without donor restriction and Undesignated (Note 7)	4,763,551	4,526,995
Accounts and donations payable	(14,421)	(24,429)
Net assets with donor restrictions	(1,413,968)	(857,692)
	<u>\$ 3,536,361</u>	<u>\$ 3,995,013</u>

Note 4: Donations to SMUSD

Foundation launches its Annual Campaign at the start of every school year with the purpose of fundraising to support SMUSD's Grant Request. Annually, SMUSD submits an annual Grant Request to the Foundation to support approximately 20 teaching positions.

The Grants Committee reviews the request from SMUSD; then, the committee presents the support request to the Board of Trustees for approval. Any remaining amounts raised by the Foundation through the Annual Campaign exceeding the Approved SMUSD annual Grant Request can be considered for other SMUSD programs. SMUSD is required to submit a separate grant request for such programs to the Foundation that goes through the same approval process described above. Once the Board approves the donations and funding is available, the donation to SMUSD is recorded as expenses.

SAN MARINO SCHOOLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Note 4: Donations to SMUSD (Continued)

The following is a summary of donation expenses to SMUSD recorded during the year ended June 30 2024 and 2023:

	2024	2023
Provided during the year:		
Support for teaching position	\$ 2,099,990	\$ 2,022,163
Wellness center	-	14,554
Visual and art program	-	4,832
Batting cage	-	110,000
	<u>\$ 2,099,990</u>	<u>\$ 2,151,549</u>

Note 5: Donation payable

The funds committed to provide but have not disbursed as of June 30 is as follows:

	2024	2023
Committed (expensed) but not funded Dong Brothers and Leslie Mar Funds as of June 30 :	<u>\$ 12,339</u>	<u>\$ 18,716</u>

Balance is included in donations payable in the accompanying statements of financial position.

Note 6: Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

SAN MARINO SCHOOLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Note 6: Fair Value Measurement (Continued)

Level 2 Inputs to the valuation methodology include: (Continued)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The fair value of beneficial interest in assets held by the California Community Foundation is based on the fair value of fund investments as reported by the California Community Foundation. These are considered to be Level 3 measurements.

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2024 and 2023:

	Fair Value Measurements at Report Date using Significant Unobservable Inputs (Level 3)
Balance at June 30, 2023	\$ 4,526,995
Purchases of investments	4,600
Investment return, net	310,083
Distributions	(78,127)
Balance at June 30, 2024	<u>\$ 4,763,551</u>

	Fair Value Measurements at Report Date using Significant Unobservable Inputs (Level 3)
Balance at June 30, 2022	\$ 4,239,465
Purchases of investments	-
Investment return, net	287,530
Distributions	-
Balance at June 30, 2023	<u>\$ 4,526,995</u>

There was no transfer into or out of Level 3 during the year ended June 30, 2024 and 2023.

Note 7: Endowment Fund

The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the Board as endowments. Donor-restricted funds consist of two specific funds (Leslie Mar Scholarship fund and The Richard and Eric Dong fund). Net investment from donor-restricted funds are allocable to each fund and can be used for donors' intent. The Board has interpreted the California Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the Foundation preserves the fair value of original gifts donated as of the date of the donor restricted endowment fund, and the original value of subsequent gifts to the permanent endowment.

The Foundation has adopted investment and distribution policies for endowment assets that attempt to provide acceptable long-term returns and protect the principal from inflation while assuming a moderate level of investment risk as follows:

Investment Policy

The Foundation has adopted investment policy for endowment assets that attempt to provide a predictable streams of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified periods as well as board-designated funds. To satisfy its long-term objectives, a substantial portion of the endowment assets are invested with the California Community Foundation's Permanent Pool.

Disbursement Policy

The Board reviews the disbursement policy annually. The Foundation's current policy is to accumulate funds in the endowment fund until the balance amount of \$2,000,000 is reached, after which investment income may be distributed annually from the endowment fund to the SMUSD. However, the amount of such a distribution can not exceed four percent (4%) of the average value of the endowment fund based upon the prior four calendar years. In calculating the average, data as of the end of each quarter is used. If the value of the endowment fund falls below the original principal amount that was gifted, there will be no distributions until the sixteen-quarter average value of the endowment fund rises above the original gifted principal amount. Distributions, if any, will be made once the Board approves the amounts and funds are available.

Management Fee

Based on the stipulation established by the Board and donors, following percentage of the endowment is released from restriction each year and become non restricted fund for general use. Then, management fee is transferred from endowment fund to bank accounts for general operation purposes.

Fund value between \$1-5 million: .33%
Fund value below \$1 million : .25%
Fund value over \$5 million: .25%

SAN MARINO SCHOOLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Note 7: Endowment Fund (Continued)

The changes in endowment financial assets and their effect on net assets for the years ended June 30, 2024 and 2023, are as follows:

As of June 30, 2024					
	Without Donor Restriction			With Donor Restriction	Grand Total
	Undesignated	Board Designated	Total		
Beginning of year	\$ 2,383,070	\$ 1,300,483	\$ 3,683,553	\$ 843,442	\$ 4,526,995
Contributions	-	-	-	-	-
Net investment return	-	222,962	222,962	80,120	303,082
Reclassification	(2,383,070)	1,844,527	(538,543)	472,017	(66,526)
End of year	\$ -	\$ 3,367,972	\$ 3,367,972	\$ 1,395,579	\$ 4,763,551
As of June 30, 2023					
	Without Donor Restriction			With Donor Restriction	Grand Total
	Undesignated	Board Designated	Total		
Beginning of year	\$ 2,095,540	\$ 1,300,483	\$ 3,396,023	\$ 843,442	\$ 4,239,465
Contributions	-	-	-	-	-
Net investment loss	287,530	-	287,530	-	287,530
Transfer out	-	-	-	-	-
End of year	\$ 2,383,070	\$ 1,300,483	\$ 3,683,553	\$ 843,442	\$ 4,526,995

During 2024, management of the Foundation reviewed past donation activities in Endowment and made revisions to the reconciliation. Based on the analysis, certain reclassifications were made between donor-restricted fund and Board designated fund.

SAN MARINO SCHOOLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Note 8: Net Assets with Donor Restrictions

Net assets with donor restrictions are as follows at June 30:

	2024	2023
Subject to Specified Purposes:		
Scholarship	\$ 4,100	\$ 13,600
Visual and perform art	650	650
Richard and Eric Dong funds	13,339	-
Other program	300	-
	<u>\$ 18,389</u>	<u>\$ 14,250</u>
Endowment:		
Perpetual in nature		
Leslie Mar scholarship	\$ 68,045	\$ 64,825
Richard and Eric Dong funds	75,000	79,000
Annual campaigne	1,152,096	699,517
First Day Packet	-	100
	<u>\$ 1,295,141</u>	<u>\$ 843,442</u>
Perpetual in nature, net investment return from original principal are subject donors' intent and spending policy appropriation when specified event occurs:		
Leslie Mar scholarship	\$ 22,714	\$ -
Richard and Eric Dong funds	14,990	-
Annual campaigne	62,734	-
	<u>\$ 100,438</u>	<u>\$ -</u>
Endowment Donor restricted fund total	<u>\$ 1,395,579</u>	<u>\$ 843,442</u>
Total donor restricted fund	<u>\$ 1,413,968</u>	<u>\$ 857,692</u>

Note 9: Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Such expenses are allocated on the basis of estimates of time and effort.

Note 10: Employee Benefits

The Foundation sponsors a Simplified Employee Pension Individual Retirement Arrangement (SEP IRA). Under this plan, the employer must make either a (1) matching contribution or (2) nonelective contribution. During the years ended June 30, 2024 and 2023, the Foundation made no nonelective contributions.

Note 11: Commitments

The Board approved \$12,339 of scholarship and teacher related fund distribution, which is maintained in Endowment, at June 30, 2024. The amount is included in donation payable in the accompanying statements of financial position.