

LOS ALAMITOS EDUCATION FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Los Alamitos Education Foundation
Los Alamitos, California

We have reviewed the accompanying financial statements of Los Alamitos Education Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

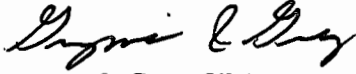
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Los Alamitos Education Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT (Continued)

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Guzman & Gray CPAs
Long Beach, CA
June 20, 2023

LOS ALAMITOS EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 199,069	\$ 114,378	\$ 313,447
Prepaid expenses	14,353	-	14,353
Total Current Assets	<u>213,422</u>	<u>114,378</u>	<u>327,800</u>
Investments	453,881	-	453,881
Property and Equipment:			
Program equipment	10,623	-	10,623
Computer equipment	2,468	-	2,468
Total Property and Equipment	13,091	-	13,091
Accumulated depreciation	<u>(13,091)</u>	<u>-</u>	<u>(13,091)</u>
Net Property and Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 667,303</u>	<u>\$ 114,378</u>	<u>\$ 781,681</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 36,257	\$ -	\$ 36,257
Deferred revenue	260,024	-	260,024
Total Current Liabilities	<u>296,281</u>	<u>-</u>	<u>296,281</u>
Net Assets:			
Net assets without restrictions	371,022	-	371,022
Net assets with restrictions	<u>-</u>	<u>114,378</u>	<u>114,378</u>
Total Net Assets	<u>371,022</u>	<u>114,378</u>	<u>485,400</u>
Total Liabilities and Net Assets	<u>\$ 667,303</u>	<u>\$ 114,378</u>	<u>\$ 781,681</u>

See independent accountants' review report and notes to financial statements.

LOS ALAMITIOS EDUCATION FOUNDATION
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Revenues and Other Support			
Grants and contributions	\$ 86,966	\$ 150,443	\$ 237,409
Program fees	1,226,192	-	1,226,192
Other income	275	-	275
Investment return, net	(1,483)	-	(1,483)
Gross special events revenue	\$ 225,231	-	-
Less cost of direct benefit to donors	<u>(25,663)</u>	-	-
Net special events revenue	<u>199,568</u>	<u>-</u>	<u>199,568</u>
Total revenues and other support	1,511,518	150,443	1,661,961
Net assets released from restrictions	<u>144,742</u>	<u>(144,742)</u>	<u>-</u>
Total Revenues	<u>1,656,260</u>	<u>5,701</u>	<u>1,661,961</u>
EXPENSES			
Program services	1,525,652	-	1,525,652
Support services			
Management and general	133,398	-	133,398
Fundraising	<u>71,008</u>	<u>-</u>	<u>71,008</u>
Total Expenses	<u>1,730,058</u>	<u>-</u>	<u>1,730,058</u>
Change in Net Assets	(73,798)	5,701	(68,097)
Net Assets, Beginning of Year	<u>444,820</u>	<u>108,677</u>	<u>553,497</u>
Net Assets, End of Year	<u>\$ 371,022</u>	<u>\$ 114,378</u>	<u>\$ 485,400</u>

See independent accountants' review report and notes to financial statements.

LOS ALAMITOS EDUCATION FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program • Services	Management and General	Fundraising	Cost of Direct Benefit to Donors	Total Expenses
Background and fingerprinting	\$ 1,201	\$ -	\$ -	\$ -	\$ 1,201
Bank and merchant fees	49,650	430	6,846	-	56,926
Classroom facility expenses	82,800	7,200	-	-	90,000
Donations to district	77,074	-	-	-	77,074
Dues and memberships	559	385	1,303	-	2,247
Employee benefits	8,119	1,755	1,654	-	11,528
Events	-	-	-	25,663	25,663
Filing fees	-	220	-	-	220
Financial aid, scholarships, and tuition waiver	59,707	-	-	-	59,707
Insurance - liability	10,035	1,146	1,967	-	13,148
Insurance - workers' compensation	4,816	562	964	-	6,342
Marketing and promotion	-	1,208	948	-	2,156
Mileage and meeting expenses	9	440	218	-	667
Payroll processing fees	1,860	217	372	-	2,449
Payroll taxes	45,871	2,761	3,849	-	52,481
Postage	741	126	245	-	1,112
Printing and reproduction	-	18	167	-	185
Professional fees	20,016	2,334	4,006	-	26,356
Program - contracted teachers	403,921	-	-	-	403,921
Program promotion and printing	1,986	-	-	-	1,986
Salaries - Executive Director	56,489	29,472	36,840	-	122,801
Salaries - manager, coordinators, specialist	138,663	4,706	10,569	-	153,938
Salaries - teachers	260,161	79,269	-	-	339,430
Software	6,708	-	-	-	6,708
Supplies - office	259	113	686	-	1,058
Supplies - program	29,072	113	-	-	29,185
Telecommunications	1,056	123	212	-	1,391
Training and development	286	800	162	-	1,248
Wellness Garden and Well Space	264,593	-	-	-	264,593
Total expenses by function	1,525,652	133,398	71,008	25,663	1,755,721
Less expenses included with revenues on the statement of activities:					
Cost of direct benefit to donors	-	-	-	(25,663)	(25,663)
Total expenses included in the expense section on the statement of activities	\$ 1,525,652	\$ 133,398	\$ 71,008	\$ -	\$ 1,730,058

See independent accountants' review report and notes to financial statements.

LOS ALAMITIOS EDUCATION FOUNDATION
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (68,097)
Adjusted to reconcile change in net assets to net cash and cash equivalents used for operating activities:	
Unrealized loss on investments	3,285
(Increase) decrease in:	
Prepaid expenses	5,364
Increase (decrease) in:	
Accounts payable and accrued expenses	6,188
Deferred revenue	<u>31,993</u>
Net cash used for operating activities	<u>(21,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from redemption of share certificates	135,003
Purchases of investments	<u>(347,644)</u>
Net cash used for investing activities	<u>(212,641)</u>
Decrease in Cash and Cash Equivalents	(233,908)
Cash and Cash Equivalents, Beginning of Year	<u>547,355</u>
Cash and Cash Equivalents, End of Year	<u>\$ 313,447</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES	
Interest paid	<u>None</u>
Income taxes paid	<u>None</u>

See independent accountants' review report and notes to financial statements.

LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 1 – ORGANIZATION

The Los Alamitos Education Foundation (“LAEF”) is an independent, non-profit organization providing enrichment classes and educational experiences that benefit every student, at every level, in every school in the Los Alamitos Unified School District. As the sole non-profit partner of Los Alamitos Unified School District, LAEF's vision is to measurably improve student achievement results by providing significant funding to the district in critical areas impacting all students, and educational enrichment opportunities for every student. LAEF's mission is to build durable relationships that help fund the vision, share the knowledge, and prepare every child in the district for college and beyond. LAEF works alongside Los Alamitos Unified School District to connect children with the four A's; academics, athletics, activities, and the arts.

LAEF believes that every child deserves a champion and that those champions often take the form of teachers. Through after-school K-12 programs, enrichment classes take place on campus immediately following the end of the school day. Teachers spend one hour per week enriching students in subjects including world languages, art, dance, science, technology, driver education, drama, and more.

Summer Enrichment Institute (SEI) offers four weeks of education to students to offset the "summer learning loss". Small class sizes of 20 students maximum provide a jumpstart to the student's next year of learning for elementary students. SEI features research-supported measures, differentiated instruction, small working groups, high-quality instruction, aligned school year and summer curricula, engaging and rigorous content, and maximized participation and attendance.

LAEF also brings summer sports camps and summer camps in the arts to the community. Los Alamitos Unified School District coaches and directors team up with LAEF to provide camps for children from grades K-12. Camps vary in length from one week to seven weeks and take place on district campuses. Sports camps include baseball, basketball, cross country, lacrosse, soccer, tennis, track and field, volleyball, water polo and wrestling. Camps in the arts include show choir, band and dance.

LAEF generates sustainable, significant resources that can be allocated to support the goals of the Los Alamitos Unified School District. Mental Health counselors, Science, Technology, Engineering, the Arts and Math (STEAM) programs, and free elementary world language classes have been the primary purpose of grants that LAEF has given to the District. Tremendous results have been experienced through this additional instruction and support.

LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 1 – ORGANIZATION (Continued)

LAEF believes in audacious goals which are achieved through its current programs. As LAEF grows, the success of students and the greater community will grow. LAEF is always looking to offer more specialized classes to stay ahead of the curve on enriching minds and inspiring success. LAEF is continuing to raise funds for the District to use as needs are constantly evolving; whether it continues to be STEAM and Mental health, or a new program foreseen by District administration, staff or parents.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Presentation of Net Assets

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

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has discretionary control over these resources. Board-designated amounts represent those net assets that the board has set aside for a particular purpose.

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.

Net Assets Released from Donor Restrictions – Net assets are released by incurring expenses satisfying the restriction or by occurrence of other events specified by donors.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, approximated fair value at December 31, 2022, because of the relatively short maturity of these instruments.

LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

LAEF defines cash equivalents as cash and checks available for deposit, and cash in checking accounts, along with all highly liquid investments with original maturities of three months or less.

Investments

LAEF records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Property and Equipment

LAEF capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Property and equipment are capitalized at cost or at fair value at the date of donation, if donated. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging from three years for computer equipment to four years for program equipment.

Revenue Recognition

LAEF applies the five-step model to contracts when it is probable that LAEF will collect the consideration it is entitled. To determine revenue recognition for arrangements within the scope of ASC Topic 606, Revenue from Contracts with Customers, LAEF performs the following five steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when or as LAEF satisfies a performance obligation. LAEF then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when or as the performance obligation is satisfied.

A summary of significant revenue recognition policies is as follows:

Grants and Contributions

LAEF recognizes contributions when cash, securities, other assets, or unconditional promise to give are received. Grants and contributions that are not restricted by the grantor or donor are reported as increases in net assets without donor restrictions. Grantor or donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with grantor or donor restrictions are reclassified to net assets without donor restrictions. Grants and donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Program Fees

Program fees relate to tuition and fees which are recognized when earned. Tuition and fees are recorded over the terms for which they relate.

LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Special Events

Special events are organized to raise contributions to support LAEF's activities. The participants of these events are offered something of value for a sum that exceeds the costs of the benefits provided to the participants. The difference between the amount paid by the donor and the fair value of the benefit received by the donor is considered a contribution. The items of value given to the donor are referred to as "cost of direct benefit to donors." These are the actual costs of the items and services furnished to the donor to attend the special event. The cost of direct benefit to donors is presented as a line item deducted from gross special events revenue in the accompanying statement of activities.

Donated Materials and Services

If materials or other noncash contributions are received through donation, their value is reflected in the accompanying statement of activities at their estimated fair market value at the date of receipt. Contribution of services are recognized if the services received create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements as there is no objective basis of deriving their value.

Functional Allocation of Expenses

The costs of program and support services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and support services benefited.

Income Taxes

LAEF 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. Therefore, no provision has been made for income taxes.

LAEF evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the tax positions will more likely than not would be sustained upon examination. Management does not believe LAEF has any uncertain tax positions requiring accrual or disclosure. LAEF is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Recently Adopted Accounting Pronouncements

Effective January 1, 2022, LAEF adopted FASB ASC 842, Leases. LAEF determines if an arrangement contains a lease at inception based on whether LAEF has the right to control the asset during the contract period and other facts and circumstances. The adoption of FASB ASC 842 did not have a material impact on LAEF's financial statements.

LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 3 – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. The framework 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that LAEF can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, LAEF develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to LAEF’s assessment of the quality, risk, or liquidity profile of the asset or liability.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2022:

Share certificates: Measured at their net asset value and are classified within Level 1.

Fixed income: Valued at the net asset value of shares on the last trading day of the fiscal year, which is the basis for transactions at that date and are classified within Level 1.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Share certificates	\$ 207,120	\$ -	\$ -	\$ 207,120
Fixed income	246,761	-	-	246,761
	<u>\$ 453,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 453,881</u>

LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 4 – INVESTMENTS

Investments consist of the following at December 31, 2022:

	Cost	Unrealized Loss	Fair Value
Share certificates	\$ 207,120	\$ -	\$ 207,120
Fixed income	250,046	(3,285)	246,761
	\$ 457,166	\$ (3,285)	\$ 453,881

Net investment return consists of the following for the year ended December 31, 2022:

Interest income	\$ 1,802
Unrealized loss	(3,285)
	\$ (1,483)

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2022:

Property equipment	\$ 10,623
Computer equipment	2,468
	13,091
Less: Accumulated depreciation	(13,091)
	\$ -

There is no depreciation expense for the year ended December 31, 2022.

NOTE 6 – DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2022:

Tuition fees received in advance for the Spring 2022 school term	\$ 221,438
Monies received for fundraising events that will take place in 2022	38,586
	\$ 260,024

LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 7 – PROGRAM FACILITIES

As discussed in Note 1, LAEF was established for the benefit of students and families of the Los Alamitos Unified School District (LAUSD). On June 29, 2022, LAEF and LAUSD negotiated a Memorandum of Understanding for the school year 2022-2023. LAEF will be obligated to reimburse LAUSD for the usage of facilities at an amount totaling \$100,000, which is payable in four equal payments of \$25,000 each. All payments were made timely through the date of this report.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31, 2022:

Amy Davidson Scholarship Fund	\$ 26,562
Bob Wilkoff Memorial Scholarship	2,500
Cary Brody Memorial Scholarship Fund	50
Cross Family Scholarship	2,573
Dr. Robert Briggerman Memorial Scholarship	2,050
Dr. Stone Be Well & Stay Positive Scholarship	1,134
Erik Bowman Memorial Fund	1,950
Friends of Rossmoor School	16,263
Jusdeep Seth Legacy LAHS Well Space Garden	16,887
Mehta Family Compassion Scholarship	1,000
Pat Ramsburg Memorial Fund	4,095
Project SEEK	24,795
Residents for Excellent Schools	8,276
Roosters Fdn of Orange County	2,500
Stephanie Davidson Scholarship Fund	1,658
Walter Hauenstein Memorial Fund	2,085
	<u>\$ 114,378</u>

LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended December 31, 2022:

Amy Davidson Scholarship Fund	\$	2,000
Barbara Collins Memorial		1,000
Bob Wilkoff Memorial Scholarship		800
CA Relief Grant		25,000
Cross Family Scholarship		800
Diversity Excellence Scholarship		2,000
Dr. Robert Briggerman Memorial Scholarship		300
Dr. Stone Be Well & Stay Positive Grant		5,000
Dr. Stone Be Well & Stay Positive Scholarship		1,400
Erik Bowman Memorial Fund		600
Feb Fundraising		700
Finance of America CARES		5,000
Friends of Rossmoor School		39,991
Grant Turner Memorial Scholarship		2,000
Griffin Football Foundation Scholarship		500
Jusdeep Seth Legacy Scholarship		6,000
Jusdeep Seth Legacy LAHS Well Space Garden		3,113
Mehta Family Compassion Scholarship		1,000
Miller Foundation		1,000
Pat Ramsburg Memorial Fund		1,000
Project SEEK		33,908
Residents for Excellent Schools		3,580
Roosters Fdn of Orange County		2,000
Run Seal Beach		2,250
Stephanie Davidson Scholarship Fund		3,000
Walter Hauenstein Memorial Fund		800
		\$ 144,742

NOTE 9 – CONCENTRATION OF CREDIT RISK

LAEF maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per owner. LAEF also maintains share certificates at a credit union that are insured by the National Credit Union Administration (“NCUA”) up to \$250,000 per owner. LAEF has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk related to these accounts.

LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 9 – CONCENTRATION OF CREDIT RISK

LAEF is the sole partner of the Los Alamitos Unified School District (LAUSD) and as such draws a large amount of income from the programs associated with the LAUSD. If LAEF were to lose this partnership, LAEF would need to reduce the scope of its operating activities. LAEF's income from program fees totaled \$1,226,192 which is 74% of total revenues for the year ended December 31, 2022.

NOTE 10 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions, limiting their use, within one year of December 31, 2022, comprise the following:

Total financial assets:	
Cash and cash equivalents	\$ 313,447
Investments	453,881
Financial assets, at year end	<u>767,328</u>
Less:	
Deferred revenue	(260,024)
Donor-imposed restrictions	<u>(114,378)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 392,926</u>

LAEF maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations come due.

In addition to financial assets available to meet general expenditures over the next 12 months, LAEF operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-imposed restrictions.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 20, 2023, which is the date the financial statements were available to be issued.