

LOS ALAMITOS EDUCATION FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Los Alamitos Education Foundation
Los Alamitos, California

Opinion

We have audited the accompanying financial statements of Los Alamitos Education Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Los Alamitos Education Foundation as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Los Alamitos Education 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 Los Alamitos Education Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

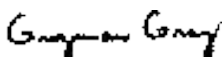
Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 the Los Alamitos Education 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 the Los Alamitos Education 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.



GuzmanGray
Costa Mesa, CA
July 31, 2024

**LOS ALAMITOS EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 454,927	\$ 190,764	\$ 645,691
Prepaid expense	14,285		14,285
Total Current Assets	<u>469,212</u>	<u>190,764</u>	<u>659,976</u>
Investments	601,103		601,103
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>(13,091)</u>
Net Property and Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,070,315</u>	<u>\$ 190,764</u>	<u>\$ 1,261,079</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued expenses	\$ 67,492		\$ 67,492
Deferred revenue	273,327		273,327
Total Current Liabilities	<u>340,819</u>	<u>-</u>	<u>340,819</u>
Net Assets:			
Net assets without restrictions	729,496		729,496
Net assets with restrictions		<u>190,764</u>	<u>190,764</u>
Total Net Assets	<u>729,496</u>	<u>190,764</u>	<u>920,260</u>
Total Liabilities and Net assets	<u>\$ 1,070,315</u>	<u>\$ 190,764</u>	<u>\$ 1,261,079</u>

See accompanying notes and independent auditor's report

**LOS ALAMITOS EDUCATION FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Revenues and Other Support			
Grants and contributions	\$ 86,476	\$ 228,063	\$ 314,539
Program fees	1,473,675		1,473,675
ERC credit	176,208		176,208
Investment return, net	18,321		18,321
Gross special events revenue	\$ 200,502		-
Less: cost of direct benefit to donors	(29,601)		-
Net special events revenue	170,901		170,901
Total revenues and other support	1,925,581	228,063	2,153,644
Net assets released from restrictions	151,677	(151,677)	-
Total Revenues	2,077,258	76,386	2,153,644
EXPENSES			
Program services	1,511,101		1,511,101
Support services			
Management and general	129,210		129,210
Fundraising	78,473		78,473
Total Expenses	1,718,784		1,718,784
Change in Net Assets	358,474	76,386	434,860
Net Assets, Beginning of Year	371,022	114,378	485,400
Net Assets, End of Year	\$ 729,496	\$ 190,764	\$ 920,260

See accompanying notes and independent auditor's report

**LOS ALAMITOS EDUCATION FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES**

DECEMBER 31, 2023

	Program Services	Management and General	Fundraising	Cost of Direct Benefit to Donors	Total Expenses
Background and fingerprinting	\$ 1,949	\$ -	\$ -	\$ -	\$ 1,949
Bank and merchant fees	46,942	(61)	7,357	-	54,238
Classroom facility expenses	93,500	6,500	-	-	100,000
Donations to district	139,344	-	-	-	139,344
Dues and memberships	1,945	482	1,460	-	3,887
Employee benefits	9,402	2,340	1,720	-	13,462
Events	-	-	-	29,601	29,601
Filing fees	-	200	-	-	200
Financial aid, scholarships, and tuition waiver	56,068	-	-	-	56,068
Insurance - liability	10,887	692	1,220	-	12,799
Insurance - workers' compensation	4,888	423	772	-	6,083
Marketing and promotion	-	366	2,985	-	3,351
Mileage and meeting expenses	348	1,241	286	-	1,875
Payroll processing fees	2,082	142	371	-	2,595
Payroll taxes	51,385	2,989	4,446	-	58,820
Postage	408	538	76	-	1,022
Printing and reproduction	28	2	405	-	435
Professional fees	15,751	2,241	3,109	-	21,101
Program - contracted teachers	435,110	442	-	-	435,552
Program promotion and printing	1,987	-	-	-	1,987
Salaries - Executive Director	66,795	28,025	37,502	-	132,322
Salaries - intern	6,173	-	-	-	6,173
Salaries - manager, coordinators, specialist	155,398	7,927	16,443	-	179,768
Salaries - teachers	304,697	71,459	-	-	376,156
Software	6,038	-	-	-	6,038
Supplies - office	269	824	126	-	1,219
Supplies - program	48,827	-	-	-	48,827
Telecommunications	780	81	150	-	1,011
Training and development	153	2,357	45	-	2,555
Wellness Garden and Well Space	49,947	-	-	-	49,947
Total expenses by function	1,511,101	129,210	78,473	29,601	1,748,385
Less expenses included with revenues on the statement of activities:					
Cost of direct benefit to donors	-	-	-	(29,601)	(29,601)
Total expenses included in the expense section on the statement of activities	\$ 1,511,101	\$ 129,210	\$ 78,473	\$ -	\$ 1,718,784

See accompanying notes and independent auditor's report

**LOS ALAMITOS EDUCATION FOUNDATION
STATEMENT OF CASH FLOWS**

DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 434,860
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:	
Unrealized gain on investments	(5,832)
Decrease in:	
Prepaid expenses	69
Increase in:	
Accounts payable and accrued expenses	31,235
Deferred revenue	13,303
	<hr/>
Net cash provided by operating activities	473,635

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from redemption of share certificates	147,068
Purchases of investments	(288,459)
	<hr/>
Net cash used for investing activities	(141,391)

NET INCREASE IN CASH AND CASH EQUIVALENTS

	332,244
Cash Cash Equivalents, Beginning of Year	313,447
	<hr/>
Cash and Cash Equivalents, End of Year	\$ 645,691

SUPPLEMENTAL CASH FLOW DISCLOSURES

Interest paid	<hr/> <hr/> None
Income taxes paid	<hr/> <hr/> None

See accompanying notes and independent auditor's report

**LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

NOTE I - 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.

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.

**LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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, 2023, because of the relatively short maturity of these instruments.

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.

**LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 changes in net assets 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, 2023

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.

**LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncement

In June 2016, the FASB issued Accounting Standards Codification (ASC) 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which modifies existing guidance related to the measurement of credit losses on financial instruments, including trade and loan receivables. The new guidance requires the allowance for credit losses to be measured based on expected losses over the life of the asset rather than incurred losses. The guidance is effective for annual and interim periods beginning after December 15, 2022. The adoption of FASB ASC 2016-13, Topic 326 did not have an impact on LAEF's financial statements.

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 I 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.

**LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

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, 2023:

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, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Share certificates	\$ 349,110	\$ -	\$ -	\$ 349,110
Fixed income	251,993	-	-	251,993
	<u>\$ 601,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,103</u>

Investments consist of the following at December 31, 2023:

	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Fair Value</u>
Share certificates	\$ 347,040	\$ 2,070	\$ 349,110
Fixed income	248,231	3,762	251,993
	<u>\$ 595,271</u>	<u>\$ 5,832</u>	<u>\$ 601,103</u>

Net investment return consists of the following for the year ended December 31, 2023:

Interest income	\$ 12,489
Unrealized gain	<u>5,832</u>
	<u>\$ 18,321</u>

**LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2023:

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

There is no depreciation expense for the year ended December 31, 2023.

NOTE 6 - DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2023:

Tuition fees received in advance for the Spring 2023 school term	\$ 239,827
Monies received for fundraising events that will take place in 2024	<u>33,500</u>
	<u><u>\$ 273,327</u></u>

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.

**LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31, 2023:

Amy Davidson Scholarship Fund	\$ 27,620
ASP Scholarships	97
Bob Wilkoff Memorial Scholarship	2,600
Cross Family Scholarship	2,073
Dr. Robert Briggerman Memorial Scholarship Fund	1,850
Dr. Stone Be Well & Stay Positive Scholarship	853
Erik Bowman Memorial Fund	1,350
Friends of Rossmoor School	20,448
Kenneth Magy Memorial Fund	80,000
Pat Ramsburg Memorial Fund	4,095
Project SEEK	22,921
Residents for Excellent Schools	1,112
Special Needs Aides Grant	20,000
Stephanie Davidson Scholarship Fund	3,660
Walter Hauenstein Memorial Fund	2,085
	<hr/>
	<u>\$ 190,764</u>

**LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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, 2023:

Amy Davidson Scholarship Fund	\$ 2,000
Barbara Collins Memorial	1,000
Cary Brody Memorial Scholarship Fund	50
Cross Family Scholarship	500
Diversity Excellence Scholarships	2,000
Dr. Robert Briggerman Memorial Scholarship Fund	200
Dr. Stone Be Well & Stay Positive Scholarship	400
Erik Bowman Memorial Fund	600
Friends of Rossmoor School	32,336
Grant Turner Memorial Scholarship	2,000
Jusdeep Sethi Legacy Scholarship	6,000
Jusdeep Sethi Legacy LAHS Well Space Garden	41,888
Los Alamitos Servant Leadership Award	500
Mehta Family Compassion Scholarship	1,000
Project SEEK	42,889
Residents for Excellent Schools	7,164
Roosters Fdn of Orange County	2,500
Run Seal Beach	2,650
Stephanie Davidson Scholarship Fund	5,000
Xcite Show Choir Camp Scholarships	1,000
	<u>\$ 151,677</u>

NOTE 9 - CONCENTRATION OF CREDIT RISK

The LAEF maintains cash in various financial institutions which may, at times, exceed federally insured limits. Cash deposited in financial institutions differs from cash presented in the statement of financial position due to timing differences. LAEF has not experienced any losses in such accounts, and management believes LAEF is not exposed to significant credit risk related to cash and cash equivalents.

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 \$1,473,675 which is 68% of total revenues for the year ended December 31,2023.

**LOS ALAMITOS EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

NOTE 10 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions, limiting their use, within one year from December 31, 2023, comprise the following:

Total financial assets:	
Cash	\$ 645,691
Investments	<u>601,103</u>
Financial assets, at year end	1,246,794
Less:	
Deferred revenue	(273,327)
Donor-imposed restrictions	<u>(190,764)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 782,703</u></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 July 31, 2024, which is the date the financial statements were available to be issued.