



Our Kids.
Our Community.
Our Legacy.

REDONDO BEACH EDUCATIONAL FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2023

WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Redondo Beach Educational Foundation:

Opinion

We have audited the accompanying financial statements of the Redondo Beach Educational Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the fiscal 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 the Redondo Beach Educational Foundation as of June 30, 2023, and the changes in net assets and its cash flows for the fiscal 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Redondo Beach Educational 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 Redondo Beach Educational Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 auditors' 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 Redondo Beach Educational 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 Redondo Beach Educational 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.

Report on Summarized Comparative Information

We have previously audited Redondo Beach Educational Foundation's financial statements for the fiscal year ended June 30, 2022, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Evergreen Alliance

Los Alamitos, California
December 12, 2023

**REDONDO BEACH EDUCATIONAL FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022**

	June 30,	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 797,052	\$ 631,025
Accounts receivable	25,999	18,989
Contributions receivable	216,000	--
Investments	1,294,543	1,272,099
Prepaid expenses	24,427	22,638
TOTAL ASSETS	\$ 2,358,021	\$ 1,944,751
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 5,709	\$ 37,469
Accrued employee related expenses	57,010	7,257
Deferred revenue	430,807	307,393
TOTAL LIABILITIES	493,526	352,119
NET ASSETS		
Without donor restrictions	1,624,495	1,592,632
With donor restrictions	240,000	--
TOTAL NET ASSETS	1,864,495	1,592,632
TOTAL LIABILITIES AND NET ASSETS	\$ 2,358,021	\$ 1,944,751

The accompanying notes are an integral part of these financial statements.

**REDONDO BEACH EDUCATIONAL FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

	<u>Without Donor</u>	<u>With Donor</u>	<u>June 30,</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2023</u>	<u>2022</u>
REVENUE AND SUPPORT				
Grants and contributions	\$ 1,161,126	\$ 495,000	\$ 1,656,126	\$ 1,538,626
Program service revenue	386,544	--	386,544	424,088
In-kind rent	13,760	--	13,760	12,880
Investment income, net	108,714	--	108,714	(155,318)
Net assets released from restrictions	<u>255,000</u>	<u>(255,000)</u>	<u>--</u>	<u>--</u>
	1,925,144	240,000	2,165,144	1,820,276
SPECIAL EVENTS				
Special events revenue - cash	168,994	--	168,994	136,923
Special events revenue – in-kind	60,527	--	60,527	34,832
Special events expense	<u>(131,545)</u>	<u>--</u>	<u>(131,545)</u>	<u>(111,858)</u>
	<u>97,976</u>	<u>--</u>	<u>97,976</u>	<u>59,897</u>
TOTAL REVENUE AND SUPPORT	2,023,120	240,000	2,263,120	1,880,173
EXPENSES				
Program services	1,724,439	--	1,724,439	1,536,184
Supporting services:				
Management and general	122,276	--	122,276	97,775
Fundraising	<u>144,542</u>	<u>--</u>	<u>144,542</u>	<u>123,211</u>
TOTAL EXPENSES	<u>1,991,257</u>	<u>--</u>	<u>1,991,257</u>	<u>1,757,170</u>
CHANGE IN NET ASSETS	31,863	240,000	271,863	123,003
NET ASSETS AT BEGINNING OF YEAR	<u>1,592,632</u>	<u>--</u>	<u>1,592,632</u>	<u>1,469,629</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,624,495</u>	<u>\$ 240,000</u>	<u>\$ 1,864,495</u>	<u>\$ 1,592,632</u>

The accompanying notes are an integral part of these financial statements.

**REDONDO BEACH EDUCATIONAL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

	June 30,				
Program Services	Management and General	Fundraising	2023	2022	
PERSONNEL EXPENSES					
Direct program support					
salaries & wages (S&W)	\$ 261,934	\$ --	\$ --	\$ 261,934	\$ 213,336
Supporting services S&W	86,013	77,315	76,933	240,261	114,982
Employee benefits and taxes	31,547	10,430	10,381	52,358	35,880
TOTAL PERSONNEL EXPENSES	379,494	87,745	87,314	554,553	364,198
OTHER EXPENSES					
Grants to organizations	1,273,333	--	--	1,273,333	1,192,788
Grants to individuals	3,000	--	--	3,000	4,000
Other program expenses	46,286	--	--	46,286	26,161
Outside services	201	72	15	288	15,230
Insurance	1,183	4,730	--	5,913	6,543
In-kind rent	4,926	4,428	4,406	13,760	12,880
Office expenses	367	784	783	1,934	9,431
Promotion and advertising	4,070	244	27,265	31,579	33,759
Professional services:					
Accounting	--	20,921	--	20,921	10,089
Consulting	--	--	--	--	36,004
Legal	--	--	--	--	2,770
Licenses and fees	8,796	130	21,350	30,276	36,652
Information technology	2,721	3,166	3,354	9,241	5,742
Travel	62	56	55	173	923
TOTAL OTHER EXPENSES	1,344,945	34,531	57,228	1,436,704	1,392,972
TOTAL EXPENSES	\$ 1,724,439	\$ 122,276	\$ 144,542	\$ 1,991,257	\$ 1,757,170

The accompanying notes are an integral part of these financial statements.

**REDONDO BEACH EDUCATIONAL FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 271,863	\$ 123,003
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of PPP loan	--	(71,235)
Unrealized (gains) losses on investments	(133,803)	116,040
Realized losses on sales of investments	17,001	31,674
Change in operating assets and liabilities:		
Accounts receivable	(7,010)	(4,984)
Contributions receivable	(216,000)	--
Prepaid expenses	(1,789)	(4,032)
Accounts payable and accrued expenses	(31,761)	26,403
Accrued employee related expenses	49,753	7,257
Deferred revenue	123,414	(68,433)
Net Cash Provided By Operating Activities	71,668	155,693
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	674,411	590,868
Purchases of investments	(580,052)	(974,297)
Net Cash Provided By (Used In) Investing Activities	94,359	(383,429)
NET CHANGE IN CASH AND CASH EQUIVALENTS	166,027	(227,736)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	631,025	858,761
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 797,052	\$ 631,025
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	NONE	NONE
Cash paid for income taxes	NONE	NONE
Noncash investing transactions	NONE	NONE
Noncash financing transactions	NONE	NONE

The accompanying notes are an integral part of these financial statements.

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 1 – Organization

The Redondo Beach Educational Foundation (the “Foundation” or “RBEF”) was incorporated in 1991 and designated as a 501(c)(3) not-for-profit corporation. The Foundation is located in Redondo Beach, California. The purpose of the Foundation is to inspire the community to invest in Redondo Beach public schools so that every student can develop knowledge and skills that go beyond what public funding alone would achieve.

RBEF was formed by parents and community leaders who realized that an excellent school system could not rely on state funding alone. RBEF is rooted in the belief that the best opportunities come from creating the most well-rounded children, providing the foundation and support for the whole child. One of the goals of RBEF is to provide equal programming to all schools across the district, regardless of levels of financial support from parents at each given school site.

RBEF funded more than \$1 million in programs and staff during the fiscal year ended June 30, 2023 that impacted nearly 10,000 students in the Redondo Beach Unified School District (RBUSD). Highlights of RBEF’s recent funding include elementary band and vocal music programs, and high-school band instruments; STEM Programs including robotics at all levels; Credentialed Physical Education Teachers at every elementary school; Teacher Grants; AVID at the middle and high school levels; enhancements to the high school library; and more. In addition, RBEF serves as the administrator for high school summer sports camps and academic enrichment courses and has over 1,000 high school participants annually. A limited number of scholarships are available for those who qualify, to help ensure that all students who want access to the programs are able to participate.

The Redondo Beach Education Foundation supports nearly 10,000 students in the Redondo Beach Unified School District. Twelve percent of RBUSD students are eligible for free or reduced-price meals and/or classified as English learners, and three of the local schools are classified as Title I. RBUSD provides a top-notch education to all students regardless of ethnic, socioeconomic background, home language, gender, gender identity, or learning ability/disability.

The Foundation’s support comes primarily from program fees, grants, contributions, and fundraising activities.

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation of Financial Statements

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with United States Generally Accepted Accounting Principles (US GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with an original maturity of three months or less when purchased, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of amounts due from donor pledges and sponsorships from fundraising events, and are stated at the amount that management expects to collect from outstanding balances. Accounts receivable are written off when they are deemed to be uncollectable.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. For the fiscal years ended June 30, 2023 and 2022, the Foundation did not receive any conditional promises to give.

Deferred Revenue

Deferred revenue consists of advance receipts of program fees that will be recognized during the period for which the revenue relates.

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Classification of 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 or grantor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, for example contributed assets that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, for example stipulating resources be maintained in perpetuity. Law may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, laws extend to donor-imposed restrictions. The expirations of donor-imposed restrictions are recognized 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.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities, or other assets, or an unconditional promise to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Program fees that are received in advance are deferred to the applicable period in which the related services are performed or the event occurs.

Donated Goods, Facilities and Services

Contributed goods and facilities are recorded at fair value at the date of donation. Contributed services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. Contributed goods, use of facilities and professional services are reported as expenses when utilized. See Note 8.

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 2 – Summary of Significant Accounting Policies (*continued*)

Promotion and Advertising

The Foundation uses advertising to promote and bring awareness to its programs. Promotion and advertising expenses are charged to operations when incurred. Total expense for the fiscal years ended June 30, 2023 and 2022 was \$31,579 and \$33,759, respectively.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could differ from such estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentrations are managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with contributions receivable and accounts receivable are considered to be limited due to high historical collection rates, and because substantial portions of the outstanding amounts are due from educational institutions and corporations supportive of the mission.

Income Tax Status

The Foundation has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and under Revenue and Taxation Code Section 23701d, respectively.

Since the Foundation is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Foundation uses the same accounting methods for tax and financial reporting. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization returns are more likely than not to be sustained upon examination. The Foundation's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

Accounting Pronouncements Adopted

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 is aimed to improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. ASU 2020-07 became effective for nonpublic business entities for the annual reporting period beginning after June 15, 2021.

In February 2016, FASB issued ASU 2016-02, *Leases*. ASU 2016-02 requires entities to recognize all leased assets on the statement of financial position with a corresponding liability resulting in a gross up of the statement of financial position. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. ASU 2016-02 became effective for nonpublic business entities for the annual reporting period beginning after December 15, 2021. The Foundation does not believe this ASU will have a material effect on the financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through December 12, 2023, which is the date the financial statements were available to be issued, noting no items requiring disclosure.

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 3 – Liquidity and Availability

Financial assets available to meet cash needs for general expenditures within one year as of June 30:

	2023	2022
Cash and cash equivalents	\$ 797,052	\$ 631,025
Accounts receivable	25,999	18,989
Contributions receivable	216,000	--
Investments	1,294,543	1,272,099
	2,333,594	1,922,113
 Less: contractual or donor-imposed restrictions	 (240,000)	 (--)
 Total	 \$ 2,093,594	 \$ 1,922,113

The Foundation has a goal to maintain at least 6 months of normal operating expenses in short-term liquid investments, and all other amounts will be invested in debt and equity investments in conjunction with the Foundation’s Investment Policy. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 4 – Accounts Receivable

Accounts receivable are summarized as follows at June 30:

	2023	2022
Amounts expected to be collected within one year	\$ 25,999	\$ 18,989

There was no net present value discount deemed necessary by management at June 30, 2023 or 2022, as all items were expected to be collected within one year. There was no allowance for doubtful accounts deemed necessary by management at June 30, 2023 or 2022. There was no bad debt expense for the fiscal year ended June 30, 2023 or 2022.

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 5 – Contributions Receivable

Contributions receivable are summarized as follows at June 30:

	2023	2022
Unconditional promises expected to be collected in less than one-year	\$ 216,000	\$ --

There was no discount to net present value at June 30, 2023 or 2022, as all amounts were expected to be received within one year. There was no allowance for doubtful accounts as of June 30, 2023 or 2022. There was no bad debt expense for the fiscal year ended June 30, 2023 or 2022.

NOTE 6 – Fair Value Measurements and Disclosures

The Foundation reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell assets in an orderly transaction in the principal, most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the assets, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the assets based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset.

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 6 – Fair Value Measurements and Disclosures (continued)

In some cases, the inputs used to measure the fair value of an asset 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 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. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2023:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
	<u>Total</u>			
Mutual funds	\$ 473,730	\$ 473,730	\$ --	\$ --
Exchange traded funds	133,413	133,413	--	--
Bonds	74,807	74,807	--	--
Stocks	<u>612,593</u>	<u>612,593</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 1,294,543</u>	<u>\$ 1,294,543</u>	<u>\$ --</u>	<u>\$ --</u>

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 6 – Fair Value Measurements and Disclosures (continued)

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2022:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
	<u>Total</u>			
Mutual funds	\$ 703,141	\$ 703,141	\$ --	\$ --
Exchange traded funds	63,421	63,421	--	--
Stocks	<u>505,537</u>	<u>505,537</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 1,272,099</u>	<u>\$ 1,272,099</u>	<u>\$ --</u>	<u>\$ --</u>

NOTE 7 – Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2023:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose	\$ <u>240,000</u>	\$ <u>--</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or the passage of time or other events specified by donors during the fiscal years ended June 30:

	<u>2023</u>	<u>2022</u>
Subject to satisfaction of purpose restrictions	\$ <u>255,000</u>	\$ <u>--</u>

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 8 – Donated Goods, Facilities and Services

The Foundation’s financial statements include the following in-kind contribution revenue for the fiscal years ended June 30:

	2023	2022
Contributed rent	\$ 13,760	\$ 12,880
Donated goods for special events	60,527	34,832
	\$ 74,287	\$ 47,712

Donated goods received by the Foundation during the fiscal years ended June 30, 2023 and 2022 were received without donor restrictions in conjunction with the Foundation’s fundraising events. The value of donated goods was estimated based on comparable sales of similar goods at retail prices within the local market available to the Foundation.

NOTE 9 – Concentrations

Contributions Receivable

Contributions receivable from one donor comprised approximately 100% of the balance at June 30, 2023.

Contributions Revenue

Contributions revenue from two donors comprised approximately 45% of amounts received during the fiscal year ended June 30, 2023 and two donors comprised approximately 32% of amounts received during the fiscal year ended June 30, 2022.

NOTE 10 – Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural and functional classification detail of expenses. Certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include supporting services salaries and wages, employee benefits and taxes, outside services, insurance, in-kind rent, office expenses, promotion and advertising, licenses and fees, information technology, and travel, which are allocated on the basis of estimates of time and effort.

**REDONDO BEACH EDUCATIONAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

NOTE 11 – Employee Benefits

The Foundation became the sponsor of a 403(b) Simple IRA plan (the Plan) in January 2023. As part of the Plan, the Foundation matches 3% of eligible employee contributions. During the fiscal year ended June 30, 2023, the Organization contributed \$1,128 in matching funds to the Plan.