

THE BELLEVUE SCHOOLS FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2024 AND 2023

**THE BELLEVUE SCHOOLS FOUNDATION
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2024 AND 2023**

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Trustees
The Bellevue Schools Foundation
Bellevue, Washington

Management is responsible for the accompanying financial statements of The Bellevue Schools Foundation (the Foundation), which comprise the statements of financial position as of August 31, 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 accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the 2024 and 2023 financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

CliftonLarsonAllen LLP

Bellevue, Washington
REPORT DATE

**THE BELLEVUE SCHOOLS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2024 AND 2023**

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 224,928	\$ 74,716
Investments Available for Operations	323,062	306,029
Pledges Receivable, Net of Allowance for Doubtful Pledges of \$1,250 at August 31, 2024 and 2023, Respectively	223,317	378,262
Prepaid Expenses	9,266	22,350
Total Current Assets	780,573	781,357
NONCURRENT ASSETS		
Operating Reserve Investments	456,743	413,732
Funding Forward Reserve Investments	1,002,621	908,071
Donor Restricted Cash and Investments	534,213	488,254
Investments Restricted for Scholarships	530,336	476,316
Endowment Investments	994,879	890,801
Beneficial Interest in Assets Held by The Seattle Foundation	59,158	56,656
Total Noncurrent Assets	3,577,950	3,233,830
Total Assets	\$ 4,358,523	\$ 4,015,187
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 14,441	\$ 3,000
Accrued Payroll and Benefits	22,214	16,115
Related Party Grants and Payables	357,947	103,021
Total Liabilities	394,602	122,136
NET ASSETS		
Without Donor Restrictions	1,303,495	1,306,059
With Donor Restrictions	2,660,426	2,586,992
Total Net Assets	3,963,921	3,893,051
Total Liabilities and Net Assets	\$ 4,358,523	\$ 4,015,187

See accompanying Notes to Financial Statements.

**THE BELLEVUE SCHOOLS FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and Grants	\$ 932,803	\$ 426,282	\$ 1,359,085
In-Kind Contributions	189,898	-	189,898
Net Investment Gain	115,963	325,294	441,257
Other Income	6,435	-	6,435
Net Assets Released from Restriction	678,142	(678,142)	-
Total Revenue and Support	<u>1,923,241</u>	<u>73,434</u>	<u>1,996,675</u>
EXPENSES AND LOSSES			
Program Services Expense	<u>1,222,592</u>	-	<u>1,222,592</u>
Total Program Services Expense	1,222,592	-	1,222,592
Support Services Expense:			
Management and General	240,470	-	240,470
Fundraising	<u>462,743</u>	-	<u>462,743</u>
Total Support Services Expense	<u>703,213</u>	-	<u>703,213</u>
Total Expenses	<u>1,925,805</u>	-	<u>1,925,805</u>
CHANGE IN NET ASSETS	(2,564)	73,434	70,870
Net Assets - Beginning of Year	<u>1,306,059</u>	<u>2,586,992</u>	<u>3,893,051</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,303,495</u></u>	<u><u>\$ 2,660,426</u></u>	<u><u>\$ 3,963,921</u></u>

See accompanying Notes to Financial Statements.

**THE BELLEVUE SCHOOLS FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and Grants	\$ 966,370	\$ 1,290,163	\$ 2,256,533
In-Kind Contributions	181,642	-	181,642
Net Investment Loss	49,163	139,541	188,704
Other Income	102,492	-	102,492
Net Assets Released from Restriction	652,854	(652,854)	-
Total Revenue and Support	1,952,521	776,850	2,729,371
EXPENSES AND LOSSES			
Program Services	1,321,133	-	1,321,133
Total Program Services Expense	1,321,133	-	1,321,133
Support Services Expense:			
Management and General	211,539	-	211,539
Fundraising	370,624	-	370,624
Total Support Services Expense	582,163	-	582,163
Total Expenses	1,903,296	-	1,903,296
CHANGE IN NET ASSETS	49,225	776,850	826,075
Net Assets - Beginning of Year	1,256,834	1,810,142	3,066,976
NET ASSETS - END OF YEAR	\$ 1,306,059	\$ 2,586,992	\$ 3,893,051

See accompanying Notes to Financial Statements.

**THE BELLEVUE SCHOOLS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2024 Total</u>
Grants and Other Assistance	\$ 1,002,869	\$ -	\$ -	\$ 1,002,869
Salaries, Wages, and Benefits	157,459	119,287	200,403	477,149
Professional Services	550	30,927	56,473	87,950
Supplies	-	381	143	524
Catering, Room Rental, and Services	1,153	-	88,513	89,666
Postage	-	-	87	87
Printing	1,082	154	8,980	10,216
Board and Staff Development	-	1,209	-	1,209
Bank Fees	-	19,314	-	19,314
Marketing and Advertising	-	-	24,348	24,348
Insurance	-	8,258	-	8,258
Bad Debt Expense	-	-	2,217	2,217
In-Kind General and Administration	59,479	55,694	81,579	196,752
Other	-	5,246	-	5,246
	<u>-\$ 1,222,592</u>	<u>\$ 240,470</u>	<u>\$ 462,743</u>	<u>\$ 1,925,805</u>
Total Functional Expenses	<u>\$ 1,222,592</u>	<u>\$ 240,470</u>	<u>\$ 462,743</u>	<u>\$ 1,925,805</u>

See accompanying Notes to Financial Statements.

**THE BELLEVUE SCHOOLS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2023 Total</u>
Grants and Other Assistance	\$ 1,125,759	\$ -	\$ -	\$ 1,125,759
Salaries, Wages, and Benefits	137,009	103,795	174,376	518,975
Professional Services	100	28,138	32,047	60,285
Supplies	-	432	1,341	1,773
Catering, Room Rental, and Services	3,825	-	68,132	71,957
Postage	2	-	22	24
Printing	-	-	10,602	10,602
Board and Staff Development	-	2,828	-	2,828
Bank Fees	-	15,393	-	15,393
Marketing and Advertising	-	-	15,675	15,675
Insurance	-	8,131	-	8,131
Bad Debt Expense	-	-	-	-
In-Kind General and Administration	54,438	49,434	68,429	172,301
Other	-	3,388	-	3,388
	<u>-</u>	<u>3,388</u>	<u>-</u>	<u>3,388</u>
Total Functional Expenses	<u><u>\$ 1,321,133</u></u>	<u><u>\$ 211,539</u></u>	<u><u>\$ 370,624</u></u>	<u><u>\$ 1,903,296</u></u>

See accompanying Notes to Financial Statements.

**THE BELLEVUE SCHOOLS FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 70,870	\$ 826,073
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Investing Activities		
Net Change in Fair Value of Investments	(325,294)	(100,693)
Change in Value of Interest in Charitable Trusts	2,502	3,368
(Increase) Decrease in:		
Pledges Receivable	154,945	(365,346)
Prepaid Expenses	13,084	(16,808)
Change in Investments Available for Operations	(17,033)	(255,452)
Increase (Decrease) in:		
Accounts Payable	11,441	(6,635)
Accrued Payroll and Benefits	6,099	(1,372)
Related Party Grants and Payables	254,926	6,156
Net Adjustments	100,670	(736,782)
 Net Cash Provided by Operating Activities	 171,540	 89,291
 CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Investments	469,925	384,585
Purchases of Investments	(491,253)	(614,392)
Net Cash Used by Investing Activities	(21,328)	(229,807)
 CHANGE IN CASH AND CASH EQUIVALENTS	 150,212	 (140,516)
Cash and Cash Equivalents - Beginning of Year	74,716	215,232
 CASH AND CASH EQUIVALENTS - END OF YEAR	 \$ 224,928	 \$ 74,716

See accompanying Notes to Financial Statements.

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Bellevue Schools Foundation (the Foundation) is a Washington nonprofit corporation organized in 1979 to promote and fund the best possible learning opportunities for all students in Bellevue's public schools.

The Foundation brings together parents, teachers, businesses, and community leaders committed to providing the best education possible for every child in Bellevue. The Foundation raises funds to improve student learning through district-wide academic initiatives, curriculum material and book purchases, training opportunities for teachers, and an array of programs that meet students' unique needs. The Foundation helps bridge the gap between the basic funding provided by the state of Washington and the support Bellevue students need in order to truly excel. The Foundation is funded through donations from individuals, corporations, foundations, and other organizations.

The Foundation's board of trustees approves a budget that funds a number of different programs each year. Decisions are carefully made based on program data and outcomes, potential impact, and feedback from teachers, parents, and the Bellevue School District (the District). The Foundation's primary program services include:

Transforming Education: Initiatives include Pre-K-12 Computer Science; Racial Equity Training; and Equity BOOM & SHOUT Experience.

Project Readiness: Every Student Ready to Learn - A set of programs designed to make sure students are prepared to take on the academic challenges of Bellevue's high expectations, including Early Learning slots for children experiencing homelessness and need and Culturally Responsive Classroom Libraries.

Student and Teacher Support: Grants that support students, teachers, and mentors in developing the skills to be their best. Programs include National Board Certification support for teachers, Signs of Suicide Curriculum and Mental Health.

School-Based Grants: Arts, Enrichment & Innovation, Music and i2 Grants program offer small grants to teachers across the Bellevue School District to support music and arts enrichment, fieldtrips, author visits, robotics, and innovative projects.

Community Engagement: To further its mission, the Foundation offers education forums and outreach for parents and the greater Bellevue School District community.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the Foundation's management to make estimates and assumptions that affect certain reported amounts and disclosures in these financial statements. Actual results could differ from those estimates.

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Presentation

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with U.S. GAAP.

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 certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an Operating Reserve and Funding Forward Reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. 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.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

The Foundation records cash contributions and promises to contribute in the period received. Cash contributions and promises to contribute subject to donor-imposed restrictions are recognized as revenue with donor restrictions when received and are recognized as being released from restriction when the restrictions are met.

Deferred Revenue

The Foundation records as deferred revenue grant or contract funding received but have not met the conditions for recognition. There was no deferred revenue at August 31, 2024 and 2023.

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Cash

Cash includes cash held at a bank which, at times, may exceed federally insured limits.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded as current assets at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met.

Management reviews the collectability of receivables on a periodic basis and determines the amount estimated to be uncollectible and establishes an allowance. The Foundation charges off receivables against the allowance when management determines that a receivable is not collectible. The Foundation does not generally require collateral on any of its receivables.

At August 31, 2024, 95% of pledges receivables were due from two donors. At August 31, 2023, 98% of pledges receivables were due from seven donors.

Equipment

Equipment purchases greater than \$1,250 are capitalized and are recorded at cost or, in the case of donated equipment, at estimated fair value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives of equipment are three to seven years. As of August 31, 2024 and 2023, the Foundation had no equipment in service.

In-Kind Contributions

Donated materials are reported as contributions in the accompanying financial statements at their estimated fair value at the date of receipt. Donated services are recognized as contributions at their estimated fair value if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. There were no donor-imposed restrictions associated with the donated materials and services.

Members of the Foundation's board of trustees and numerous other individuals provide substantial amounts of volunteer time and some materials of indeterminable value in support of the Foundation's events and programs, which is not included in these financial statements.

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

In-Kind Contributions (Continued)

The Foundation received the following in-kind contributions for the year ended August 31:

	<u>2024</u>	<u>2023</u>	<u>Fair Value Techniques</u>
			Publicly available commercial real estate rental listings; standard hourly rates for clerical support; local rate for similar other goods and services
Office Space and Clerical Support	\$ 179,048	\$ 163,943	
Sponsorship	6,000	12,500	Donated services from sponsors
Other	4,850	5,199	Miscellaneous donated items
Total	<u>\$ 189,898</u>	<u>\$ 181,642</u>	

The District, a related party, in exchange for the Foundation's continued support of educational programs, provides certain goods and services to the Foundation under an agreement that may be terminated by either party upon 120 days' written notice. For 2024 and 2023, such items included rent-free office space and meeting rooms, clerical support, office supplies, office furniture, telephones, office equipment, and other services which will be used for the Foundation's program and supporting services. The Foundation estimated that the value of this support was \$179,048 and \$163,943 for the years ended August 31, 2024 and 2023, respectively. This represented 94% and 90% of the in-kind contributions balance for 2024 and 2023, respectively, and is included in in-kind contributions on the statements of activities.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

Level 1 – Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Related Party Transactions

The Foundation made contributions to the District in support of various District programs of \$923,449 and \$1,043,590 for the years ended August 31, 2024 and 2023, respectively.

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Related Party Transactions (Continued)

The Foundation had amounts payable to the District of \$357,947 and \$103,021 at August 31, 2024 and 2023, respectively. These amounts relate to grants authorized by the Foundation's board of trustees for program expenses incurred (or to be incurred) by the District, but not yet distributed to the District.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management allocates to program expenses grants made to schools. Costs that benefit management and fundraising activities are directly allocated or allocated based on square footage.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Foundation has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the code.

Subsequent Events

The Foundation has evaluated subsequent events through REPORT DATE, the date these financial statements were available to be issued.

THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of various mutual funds, exchange-traded funds, and certain money market accounts can also be classified as investments because the accounts are held in investment accounts. Investments are reported at their fair value using Level 1 inputs (quoted prices in active markets for identical assets) in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Investments consist of the following at August 31:

	2024	2023
Cash (Money Market Accounts)	\$ 165,048	\$ 353,126
Exchange-Traded Fund	861,318	693,448
Mutual Funds:		
Bond Mutual Funds	2,065,466	1,651,298
Foreign Large Growth	386,875	365,596
Large Value	109,744	103,381
Large Growth	84,302	88,671
Mid-Cap Growth	80,590	74,345
Mid-Cap Value	88,511	75,967
Aggressive Growth	-	77,371
Total	<u>\$ 3,841,854</u>	<u>\$ 3,483,203</u>

Investments are reported as follows on the statements of financial position at August 31:

	2024	2023
Operating Reserve Investments	\$ 456,743	\$ 413,732
Investments Available for Operations	323,062	306,029
Funding Forward Reserve Investments	1,002,621	908,071
Donor Restricted Cash and Investments	534,213	488,254
Investments Restricted for Scholarships	530,336	476,316
Endowment Investments	994,879	890,801
Total	<u>\$ 3,841,854</u>	<u>\$ 3,483,203</u>

The following is a summary of investment gains/(losses) for the year ended August 31:

	2024	2023
Dividends and Interest	\$ 133,077	\$ 103,178
Realized and Unrealized Gains (Losses)	325,294	100,693
Investment Fees	(17,114)	(15,167)
Total Investment Gain (Loss)	<u>\$ 441,257</u>	<u>\$ 188,704</u>

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

NOTE 2 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investments are reported at fair value at August 31:

	Fair Value Measurements at Report Date Using			
	Quoted	Significant Other Observable	Significant Unobservable	2024 Total
	Prices in Active Markets for Identical Assets (Level 1)			
	-	-	-	
Money Market Accounts	\$ 165,048	\$ -	\$ -	
Exchanged-Traded Funds	861,318	-	-	861,318
Mutual Funds	2,815,488	-	-	2,815,488
Beneficial Interest	-	-	59,158	59,158
Total Assets at Fair Value	\$ 3,841,854	\$ -	\$ 59,158	\$ 3,901,012

	Fair Value Measurements at Report Date Using			
	Quoted	Significant Other Observable	Significant Unobservable	2023 Total
	Prices in Active Markets for Identical Assets (Level 1)			
	-	-	-	
Money Market Accounts	\$ 353,126	\$ -	\$ -	
Exchanged-Traded Funds	693,448	-	-	693,448
Mutual Funds	2,436,629	-	-	2,436,629
Beneficial Interest	-	-	56,656	56,656
Total Assets at Fair Value	\$ 3,483,203	\$ -	\$ 56,656	\$ 3,539,859

NOTE 3 NET ASSETS WITHOUT DONOR RESTRICTIONS

The net assets without donor restrictions consist of the following at August 31:

	2024	2023
Board-Designated Operating Reserve	\$ 300,874	\$ 397,988
Funding Forward Reserve	1,002,621	908,071
Total	\$ 1,303,495	\$ 1,306,059

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

NOTE 4 ENDOWMENT

Endowment Net Assets (Corpus) consist of the following at August 31:

	2024	2023
Carla Vendeland Community Service Award Fund	\$ 39,771	\$ 39,771
Charlotte Field Music Fund	300,000	300,000
Michael N. Riley Student Support Endowment	83,000	83,000
Volunteers in Bellevue's Education System (VIBES)	310,000	310,000
Total Endowment Net Assets	\$ 732,771	\$ 732,771

Interpretation of Relevant Law

The Foundation's board of trustees has interpreted the state of Washington Prudent Management of Institutional Funds Act (PMIFA) as requiring the preservation of the fair value of the original gift, as of the date of the gift of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as endowment net assets (a) the original value of gifts donated to the endowment and (b) the original value of subsequent gifts to the endowment.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by use in a manner consistent with the standard of prudence prescribed by PMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

NOTE 4 ENDOWMENT (CONTINUED)

Changes to endowment net assets for the years ended August 31:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - August 31, 2023	\$ -	\$ 947,457	\$ 947,457
Endowment Investment Return:			
Interest and Dividends	-	28,886	28,886
Realized and Unrealized Losses	-	115,076	115,076
Fees	-	(5,383)	(5,383)
Total Endowment Investment Return	-	1,086,036	1,086,036
Appropriation of Endowment for Expenditure	-	(31,999)	(31,999)
Endowment Net Assets - August 31, 2024	\$ -	\$ 1,054,037	\$ 1,054,037
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning August 31, 2022	\$ -	\$ 919,678	\$ 919,678
Endowment Investment Return:			
Interest and Dividends	-	9,973	9,973
Realized and Unrealized Gains	-	17,806	17,806
Fees	-	-	-
Total Endowment Investment Return	-	947,457	947,457
Appropriation of Endowment for Expenditure	-	-	-
Endowment Net Assets - August 31, 2023	\$ -	\$ 947,457	\$ 947,457

Endowment net assets are reported as follows on the statements of financial position at August 31:

	2024	2023
Endowment Investments	\$ 994,879	\$ 890,801
Beneficial Interest	59,158	56,656
Total	\$ 1,054,037	\$ 947,457

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

NOTE 4 ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream 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. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to preserve principal and the inflation-adjusted growth, over time, of principal and income. The endowment portfolio should be managed to achieve total returns consistent with standard stock and bond indices selected by the Foundation's Investment Committee. The goal of the portfolio is to meet or exceed the returns of these indices while investing in financially sound mutual funds and companies.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. Stock and bond investments are diversified in terms of industry, market capitalization, and domestic/foreign origin.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year a percentage of the total market value of endowment fund assets based on the average of the market values at several recent quarter ends (generally the prior 12 quarter ends). This has resulted in an appropriation rate of 3.3% for 2024 (for release in 2025); however, appropriation is subject to economic and market conditions. In establishing this policy, the Foundation considered the long-term expected return on its endowment.

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor-imposed time or purpose restrictions consist of the following at August 31:

	2024	2023
Subject to expenditure for specified purpose:		
Student Support:		
Comp SC	\$ 194,432	\$ 320,000
Early Learning	245,079	225,000
Total Student Support	439,511	545,000
Other Programs:		
Affordable Housing Project	100,033	100,033
The Howard Johnson Principal Scholarship Fund	188,325	166,261
Brandon West Memorial Scholarship	182,465	187,331
Carla Vendeland Community Service Award Fund	19,387	16,885
Nan Campbell Scholarship Fund	116,061	102,627
Muren Scholarship Fund	43,491	20,102
Sherry Ladd	534,784	488,255
Other Memorial Gifts and Programs	1,718	29,926
Total Other Programs	1,186,264	1,111,420
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for:		
Charlotte Field Endowment Earnings (Academic Rigor for Music Program)	173,307	123,795
Volunteers in Bellevue's Education System (VIBES) Endowment Earnings	82,912	41,836
Michael N. Riley Endowment Earnings	45,661	32,170
Total	301,880	197,801
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:		
Charlotte Field Music Fund	300,000	300,000
Michael N. Riley Student Support Endowment	83,000	83,000
Volunteers in Bellevue's Education System (VIBES)	310,000	310,000
Total	693,000	693,000
Total Endowments	994,880	890,801

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2024	2023
Perpetual in natural, not subject to spending policy or appropriation:		
Carla Vendeland Community Service Award Fund	\$ 39,771	\$ 39,771
Total Net Assets With Donor Restrictions	\$ 2,660,426	\$ 2,586,992
Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended August 31:		
	2024	2023
Academic Rigor:		
Charlotte Field Endowment Earnings (for Music Program)	\$ 14,272	\$ 21,409
Transforming Education:		
Computer Science Education	135,215	30,110
Total Transforming Education	135,215	30,110
Student and Teacher Support:		
Volunteers in Bellevue's Education System (VIBES)		
Endowment Earnings	11,849	17,773
Equity	-	3,409
Culturally Respons & Innov Woodridge	-	10,124
Early Learning	249,576	34,704
Free Meals	-	-
i2 Grants	2,107	6,000
Mental Health	107,591	81,477
National Board	128	5,000
Classroom Grants	64,190	6,807
Other	6,665	5,569
Total Student Support	442,106	170,863

THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2024	2023
Other Programs:		
Affordable Housing Project	\$ -	\$ 8,925
The Howard Johnson Principal Scholarship Fund	5,800	5,600
Riley Endowment Earnings	3,879	5,818
Muren Scholarship Fund	4,000	2,000
Vendeland Endowment Earnings	2,000	2,000
Sherry Ladd	29,070	42,750
Other Memorial Gifts and Programs	41,800	363,379
Total Other Programs	86,549	430,472
Total	\$ 678,142	\$ 652,854

NOTE 6 FUNDS HELD BY THE SEATTLE FOUNDATION

In prior years, the Foundation transferred \$39,771 of endowment funds to The Seattle Foundation for management. Under the agreement with The Seattle Foundation, those funds are subject to The Seattle Foundation's variance power, with the stipulation that the Foundation will receive annual distributions of income from the funds in order to fulfill the terms of the related endowment gift instrument. These funds are referred to as a beneficial interest in a trust. These funds (amounting to \$59,158 and \$56,656 at August 31, 2024 and 2023, respectively) are recorded as assets (and endowment net assets) of the Foundation in the accompanying financial statements.

The funds held by the Seattle Foundation are stated at the fair value of the underlying assets (cash and marketable securities) using Level 3 inputs. Contributions into the beneficial interest are considered an endowment for financial statement purposes (and are included with endowment net assets).

Changes in the beneficial interest are as follows for the years ended August 31:

Balance at August 31, 2022	\$ 53,288
Investment Losses, Net of Fees	5,368
Withdrawals	(2,000)
Balance at August 31, 2023	56,656
Investment Gains, Net of Fees	4,502
Withdrawals	(2,000)
Balance at August 31, 2024	\$ 59,158

The value of the beneficial interest represents an irrevocable right to receive distributions in from a trust that is managed by a third party. The Foundation does not have variance power over the trust's portfolio. The value of Beneficial Interests in Perpetual Trust is estimated based on the fair value of the underlying investments held by the trust.

**THE BELLEVUE SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023**

NOTE 7 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of August 31:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 224,928	\$ 74,716
Investments Available for Operations	323,062	306,029
Operating Reserve Investments	456,743	413,732
Pledges Receivable, Net	<u>223,317</u>	<u>378,262</u>
Total	<u>\$ 1,228,050</u>	<u>\$ 1,172,739</u>

As part of their liquidity management plan, the board has designated a portion of the operating surplus to the Foundation's operating and funding forward reserve investments, which was \$1,459,364 and \$1,321,803 as August 31, 2024 and 2023, respectively.