BOYS & GIRLS CLUB OF SOUTH SAN LUIS OBISPO COUNTY

FINANCIAL STATEMENTS
December 31, 2024

BOYS & GIRLS CLUB OF SOUTH SAN LUIS OBISPO COUNTY
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Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Boys & Girls Club of South San Luis Obispo County
Oceano, California

Opinion

We have audited the accompanying financial statements of the Boys & Girls Clubs of South San Luis Obispo County (a non-profit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities 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 the Boys & Girls Clubs of South San Luis Obispo County as of December 31, 2024, and the changes in its 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 the Boys & Girls Clubs of South San Luis Obispo County 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 the Boys & Girls Clubs of South San Luis Obispo County'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

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.

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- 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 Boys & Girls Clubs of South San Luis Obispo County'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 Boys & Girls Clubs of South San Luis Obispo County'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.

Moss, Levy & Hartzheim LLP

Santa Maria, California
April 23, 2025

BOYS & GIRLS CLUB OF SOUTH SAN LUIS OBISPO COUNTY
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

Current Assets:	
Cash and cash equivalents	$ 1,608,145
Investment held with life insurance policy	18,397
Accounts receivable	159,793
Prepaid expense	5,710
Deposits with other	16,180
Total current assets	1,808,225
Fixed Assets:	
Land, buildings, vehicles, and equipment	260,110
Less accumulated depreciation	(91,398)
Total fixed assets	168,712
Total assets	$ 1,976,937

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	$ 8,991
Accrued payroll	41,927
Compensated absences	5,914
Total current liabilities	56,832
Total liabilities	56,832
Net Assets:	
With donor restrictions	998,204
Without donor restrictions	921,901
Total net assets	1,920,105
Total liabilities and net assets	$ 1,976,937

The accompanying notes to the financial statements are an integral part of this statement.

BOYS & GIRLS CLUB OF SOUTH SAN LUIS OBISPO COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Program Revenues:			
Grants	$ 1,341,582	$ 15,000	$ 1,356,582
Special events and fundraising	46,164		46,164
Donations	96,838	968,349	1,065,187
Contributions in-kind	13,409		13,409
Registration fees	12,384		12,384
Total program revenues	1,510,377	983,349	2,493,726
Other Revenues and Gains:			
Miscellaneous revenue	22,832		22,832
Interest revenue		16,579	16,579
Net releases from restrictions:			
Satisfaction of program restrictions	20,024	(20,024)	
Total other revenues and gains	42,856	(3,445)	39,411
Total revenues, gains, and other support	1,553,233	979,904	2,533,137
Expenses:			
Program services:			
Program expenses	1,016,967		1,016,967
Support services			
Fundraising	11,202		11,202
Administration	426,076		426,076
Total expenses	1,454,245		1,454,245
Changes in net assets	98,988	979,904	1,078,892
Net assets, beginning of year	822,913	18,300	841,213
Net assets, end of year	$ 921,901	$ 998,204	$ 1,920,105

The accompanying notes to the financial statements are an integral part of this statement.

BOYS & GIRLS CLUB OF SOUTH SAN LUIS OBISPO COUNTY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

Cash flows from operating activities:	
Cash inflows for operations:	
Contributions	$ 1,065,187
Grants	1,246,137
Registration fees	12,384
Special events and fundraising	46,164
Other cash receipts	22,832
Cash outflows for operations:	
Payments for salaries, benefits, and payroll taxes	(1,279,346)
Payments to vendors	(155,814)
Net cash provided by operating activities	957,544
Cash Flows from Investment Activities:	
Interest income	16,579
Net cash provided by financing activities	16,579
Net increase in cash and cash equivalents	974,123
Cash and cash equivalents, January 1, 2024	634,022
Cash and cash equivalents, at December 31, 2024	$ 1,608,145

The accompanying notes to the financial statements are an integral part of this statement.

BOYS & GIRLS CLUB OF SOUTH SAN LUIS OBISPO COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Program	Support Services		Total
		Fundraising	Administration	
Salaries	$ 802,622	$ -	$ 343,981	$ 1,146,603
Payroll taxes	63,756		27,324	91,080
Workers' compensation	15,582		6,678	22,260
Employee benefits	17,655		7,566	25,221
Payroll service expense	29,934		12,829	42,763
Employee screening	2,763		1,184	3,947
Fundraising		10,946		10,946
Bank service charges		256	2,304	2,560
Dues and subscriptions	11,565			11,565
Licenses and permits	739			739
Legal and accounting	14,665		6,285	20,950
Advertising	691			691
Insurance	10,000		4,285	14,285
Program supplies	950			950
Field trips	4,297			4,297
Travel	187		80	267
Training and meeting	670		287	957
Technical support	8,109		3,475	11,584
Telephone and communication	8,986		3,851	12,837
Occupancy costs	4,245		1,819	6,064
Office expense	2,812		1,205	4,017
Other			1,496	1,496
Total functional expenses before other expenses	1,000,228	11,202	424,649	1,436,079
Contributions in-kind	13,409			13,409
Depreciation expense	3,330		1,427	4,757
Total functional expenses	$ 1,016,967	$ 11,202	$ 426,076	$ 1,454,245
Percent of total expenses	69.9%	0.8%	29.3%	100.0%

The accompanying notes to the financial statements are an integral part of this statement.

NOTE 1 – HISTORY AND ORGANIZATION

Boys and Girls Club of South San Luis Obispo County is a non-profit, non-stock corporation, organized under the laws of the State of California. The Organization's purpose is to foster and promote the physical, social, educational, vocational and character development of boys and girls living in or near the area of the Five Cities and San Luis Obispo County of California.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Organization uses the accrual basis of accounting. This policy conforms with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA).

B. Basis of Presentation

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

C. Estimates

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

D. Cash Equivalents

Cash and cash equivalents include all liquid investments including money market accounts and certificates of deposit.

E. Fixed Assets

Property and equipment are recorded at cost. Repairs and maintenance are charged to expense when incurred. Depreciation expense is calculated on the straight-line method over the useful life of the related asset.

F. Investments

Investments are carried at fair value.

G. Income Taxes

The Organization is a not-for-profit corporation exempt from federal taxes, under IRS code section 501 (c)(3), and state taxes, under California code section 23701d.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Uncertainty in Income Taxes

Effective July 1, 2009, the Boys & Girls Club of South San Luis Obispo County implemented the new accounting requirements associated with uncertainty in incomes taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examinations by the tax authorities. It also provides guidance for de-recognition, reclassification, interest and penalties, accounting in interim periods, disclosure and transition.

As of December 31, 2024, the Boys & Girls Club of South San Luis Obispo County had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

With few exceptions, the Boys & Girls Club of South San Luis Obispo County is no longer subject to U.S. federal and state income tax examinations by tax authorities for fiscal years before January 1, 2020.

I. Special Events

The Organization conducts special events to raise funds used to support its program operations. All events are conducted in accordance with applicable federal, state, and local laws and ordinances. All revenues received from such events in excess of expenses are used for the current program operations.

J. Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limited their use, within one year of December 31, 2024 are:

Financial Assets:	
Cash	$ 1,608,145
Investment held with life insurance policy	18,397
Accounts receivable	159,793
Total financial assets	1,786,335
Less financial assets held to meet donor imposed restrictions:	
Contributions restricted for capital	(993,204)
Board designated endowment	(3,640)
Grant, which is released on a monthly basis	(5,000)
Amount available for general expenditures within one year	$ 784,491

The table above reflect donor imposed restricted funds as unavailable because the funds can be only spent by the Organization over a specific period of time. See Note 5 – Net Assets with Donor Restrictions for activity for the year.

NOTE 4 – CASH

Cash is held in separate bank accounts. All cash deposits are insured by the federal government at December 31, 2024. Cash consisted of the following at December 31, 2024:

Cash in banks	$ 1,107,645
Certificate of deposit	500,000
Petty cash	500
	$ 1,608,145

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2024, net assets with donor restrictions are available for the following purposes or periods:

Program restrictions:	
Contributions which are released for future programs	$ 5,000
Contributions which are restricted for specific purpose	993,204
Total net assets with donor restrictions	$ 998,204

NOTE 6 – LAND, BUILDINGS, VEHCILES, AND EQUIPMENT

Purchased fixed assets are recorded at historical cost. Donated fixed assets are valued at cost, if known, or at estimated fair value at the time of donation.

Fixed Assets at December 31, 2024, consist of the following:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Land	$ 108,211	$ -	$ -	$ 108,211
Clubhouse	131,351			131,351
Equipment	20,548			20,548
Total fixed assets	260,110	-	-	260,110
Less: accumulated depreciation				
Clubhouse	69,665	3,259		72,924
Equipment	16,976	1,498		18,474
Total accumulated depreciation	86,641	4,757	-	91,398
Total net book value	$ 173,469	$ (4,757)	$ -	$ 168,712

NOTE 7 – DONATION OF MATERIALS AND SERVICES

Boys and Girls Club of South San Luis Obispo County receive donations of time and services from members of the community and volunteers. The value of these donations is not reflected in the accompanying financial statements since no objective basis is available to measure the value of these services. In-kind donations of fixed assets and supplies used directly by the Organization are valued at their appraised values at the time of the receipt.

NOTE 8 – CONCENTRATIONS OF RISK

A significant amount of the Organization's contributions received are from surrounding businesses and private communities generated from various fundraisers and pledge drives.

The Organization maintains its cash in several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

NOTE 9 – CONTINGENCIES

The Organization has received funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

According to the Organization's staff and attorney, no contingent liabilities are outstanding, and no lawsuits are pending of any real financial consequence.

NOTE 10 – CONTRIBUTIONS IN-KIND

Contributions in-kind for the year ended December 31, 2024, are as follows:

Program supplies	$ 13,409
Total contributions in-kind income	$ 13,409

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events were evaluated through April XX, 2025, which was the date the financial statements were available to be issued. No significant events were noted.