BOYS & GIRLS CLUBS
OF CARSON

BOYS & GIRLS CLUB OF CARSON

INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Boys & Girls Club of Carson

Report on Audit the Financial Statements

Opinion
We have audited the accompanying financial statements of Boys & Girls Club of Carson (the "Club"), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as of June 30 2025 and 2024, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Club and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Club's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 Club'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 Club'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.

Hinricher & Cousino LLP
Thousand Oaks, California
January 9, 2026

ASSETS

	2025	2024
Current assets:		
Cash and restricted cash	$ 270,494	$ 50,639
Accounts and grants receivable	704,982	1,847,840
Other receivables	0	5,256
Prepaid expenses and other current assets	53,093	64,166
Total current assets	1,028,569	1,967,901
Investments	0	450,263
Property and equipment, net of accumulated depreciation	211,912	175,605
Right of use assets	8,047	9,951
Total assets	$ 1,248,528	$ 2,603,720

LIABILITIES

	2025	2024
Current liabilities:		
Accounts payable	$ 89,258	$ 598,802
Accrued liabilities	175,069	94,982
Deferred revenue	24,010	24,000
Due to other clubs	0	861,214
Lease liability - current portion	3,222	3,381
Total current liabilities	291,559	1,582,379
Long-term liabilities:		
Lease liability, net of current portion	4,825	6,570
Total liabilities	296,384	1,588,949

NET ASSETS

	2025	2024
Net assets:		
Without donor-imposed restrictions		
Available for general operations	791,537	956,319
Board-designated reserves	10,000	10,000
Total without donor-imposed restrictions	801,537	966,319
With donor-imposed restrictions	150,607	48,452
Total net assets	952,144	1,014,771
Total liabilities and net assets	$ 1,248,528	$ 2,603,720

See accompanying independent auditors' report and notes to financial statements.

BOYS & GIRLS CLUB OF CARSON
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Imposed Restriction	With Donor Imposed Restriction	Total	Without Donor Imposed Restriction	With Donor Imposed Restriction	Total
Public support, revenue, and reclassifications						
Federal and state government grants	$ 4,018,149	$ 0	$ 4,018,149	$ 3,559,343	$ 0	$ 3,559,343
Fiscal agent fees	0	0	0	251,471	0	251,471
Foundation grants	776,392	185,000	961,392	1,091,544	0	1,091,544
Program revenue	64,779	0	64,779	78,349	0	78,349
Individual and corporate contributions	331,317	0	331,317	327,856	49,952	377,808
Special event revenue, net of direct expenses of $187,472 and $156,039	494,417	0	494,417	475,049	0	475,049
In-kind contributions	294,313	0	294,313	241,958	0	241,958
Interest income	15,666	0	15,666	11,047	0	11,047
Gain/(loss) on disposition of property and equipment	0	0	0	(24,958)	0	(24,958)
Releases of restricted net assets	82,845	(82,845)	0	41,500	(41,500)	0
Total public support, revenue and reclassifications	6,077,878	102,155	6,180,033	6,053,159	8,452	6,061,611
Expenses						
Program expenses	5,252,427	0	5,252,427	5,028,720	0	5,028,720
Supporting services						
Management and general	680,760	0	680,760	669,639	0	669,639
Fundraising	309,473	0	309,473	288,882	0	288,882
Total expenses	6,242,660	0	6,242,660	5,987,241	0	5,987,241
Change in net assets	(164,782)	102,155	(62,627)	65,918	8,452	74,370
Net assets - beginning of year	966,319	48,452	1,014,771	900,401	40,000	940,401
Net assets - end of year	$ 801,537	$ 150,607	$ 952,144	$ 966,319	$ 48,452	$ 1,014,771

BOYS & GIRLS CLUB OF CARSON

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (62,627)	$ 74,370
Adjustments to reconcile change in net assets to		
net cash provided by (used in) operating activities:		
Depreciation	28,525	34,691
(Gain)/loss on disposition of property and equipment	0	24,958
Stock donation	0	(943)
(Increase) or decrease in:		
Accounts and grants receivable	1,142,858	(92,149)
Other receivables	5,256	(5,256)
Prepaid expenses and other current assets	11,073	(50,597)
Increase or (decrease) in:		
Accounts payable	(509,544)	317,776
Accrued liabilities	80,087	(20,022)
Deferred revenue	10	(41,952)
Due to other clubs	(861,214)	175,587
Net cash provided by (used in) operating activities	(165,576)	416,463
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(64,832)	(40,172)
Purchase of investments	(16,783)	(599,451)
Proceeds from investments	467,046	150,000
Net cash provided by (used in) investing activities	385,431	(489,623)
Total increase (decrease) in cash and restricted	219,855	(73,160)
Cash and restricted cash at beginning of year	50,639	123,799
Cash and restricted cash at end of year	$ 270,494	$ 50,639
RECONCILIATION OF CASH AND RESTRICTED CASH		
Cash	$ 119,887	$ 2,187
Restricted cash	150,607	48,452
	$ 270,494	$ 50,639
Supplemental Information:		
Interest paid	$ 0	$ 0
Income taxes paid	$ 0	$ 0
Stock donations	$ 0	$ 943

See accompanying independent auditors' report and notes to financial statements.

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	$ 3,193,661	$ 399,212	$ 203,123	$ 3,795,996	$ 3,211,432	$ 376,576	$ 173,267	$ 3,761,275
Payroll taxes	270,309	29,021	16,065	315,395	284,843	29,955	15,807	330,605
Employee benefits	344,874	41,427	19,631	405,932	326,856	46,843	25,256	398,955
Total employee expenses	3,808,844	469,660	238,819	4,517,323	3,823,131	453,374	214,330	4,490,835
Marketing	6,981	9,390	0	16,371	5,596	9,158	560	15,314
Repairs and maintenance	37,456	4,143	0	41,599	43,078	4,320	0	47,398
Conferences and meeting	33,698	15,194	4,168	53,060	23,386	20,591	3,946	47,923
Dues and subscriptions	24,199	18,707	2,584	45,490	12,737	18,549	4,232	35,518
Postage	441	593	1,209	2,243	404	588	960	1,952
Security	1,342	387	0	1,729	1,568	568	0	2,136
Insurance	25,092	32,972	0	58,064	18,127	28,729	0	46,856
Computer expense	3,019	2,067	0	5,086	3,767	3,264	439	7,470
Office expense	5,875	7,901	136	13,912	4,514	7,646	641	12,801
Printing and publications	14,981	197	339	15,517	7,521	426	1,734	9,681
Professional fees	162,363	83,851	58,018	304,232	182,655	74,493	56,581	313,729
Telephone	8,181	4,196	0	12,377	7,129	4,541	0	11,670
Occupancy	46,306	2,697	0	49,003	48,931	3,488	0	52,419
Program expense	677,667	1,494	0	679,161	514,108	4,484	5,000	523,592
Auto expense	34,851	3,154	0	38,005	28,478	3,300	0	31,778
Training	39,686	2,089	205	41,980	31,132	4,836	0	35,968
Utilities	12,989	3,917	0	16,906	13,084	4,531	0	17,615
In-kind goods and services	279,417	14,895	0	294,312	226,439	15,519	0	241,958
Bank service charge	2,792	461	3,995	7,248	4,598	489	459	5,546
License and fees	249	268	0	517	209	182	0	391
Total expenses before depreciation	5,226,429	678,233	309,473	6,214,135	5,000,592	663,076	288,882	5,952,550
Depreciation	25,998	2,527	0	28,525	28,128	6,563	0	34,691
Total expenses	$ 5,252,427	$ 680,760	$ 309,473	$ 6,242,660	$ 5,028,720	$ 669,639	$ 288,882	$ 5,987,241

See accompanying independent auditors' report and notes to financial statements.

NOTE 1 - DESCRIPTION OF ORGANIZATION

The Boys & Girls Clubs of Carson (the "Club") was established in 1992 to provide a safe, supportive environment for youth during out-of-school hours. Initially serving 100 youth at a single location, the Club has since expanded to 13 locations, including one stand-alone facility and 12 school-based sites, reaching over 9,000 youth annually.

The Club delivers comprehensive programming focused on academic success, college and workforce readiness, character and leadership development, health and wellness, creative arts, STEM education, and individualized case management. These initiatives empower youth to achieve personal and academic growth while fostering long-term success.

As a member organization of Boys & Girls Clubs of America, the Club remains in good standing, adhering to all membership requirements and operational standards.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Financial Statement Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (“GAAP”) for not-for-profit organizations.

Net Asset Presentation
Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor-imposed restrictions are those currently available at the discretion of management and the governing board for use in operations. Net assets with donor-imposed restrictions are those which are stipulated by donors for specific purposes or by passage of time and may include net assets to be held in perpetuity.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and contingent liabilities (e.g. the fair value of financial instruments, potential impairments to fixed assets and accrued expenses) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income Taxes
The Club is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and California tax laws. In addition, the Internal Revenue Service has determined that the Club is not a "private foundation" within the meaning of Section 509(a) and qualifies for deductible contributions as provided in IRC Section 170(b)(I)(A)(vi). Accordingly, no provision is required to be made for income taxes in the accompanying financial statements. There was no unrelated business income for the years ended June 30, 2025 and 2024. At June 30, 2025, the Club’s returns generally remain open for examination by federal and state taxing authorities, for three years and four years, respectively, after they are filed.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents
Highly liquid investments with initial maturities of three months or less are considered to be cash equivalents unless they have donor-imposed restrictions or are board-designated for long term purposes. At June 30, 2025 and 2024, the Club had no cash equivalents.

Cash and cash equivalents and securities maintained through a registered securities dealer are insured up to $500,000 by the Securities Investor Protection Corporation ("SIPC"). SIPC covers losses from fraud and negligence of the registered securities dealer, but not against market losses or investment return. Balances held in accounts may still at times exceed insured limits.

The Club has not incurred any losses in these accounts, outside normal trading activities, and does not believe that they are exposed to any significant credit risk on cash and cash equivalents.

Accounts and Grants Receivable
Accounts receivable are stated at the amounts management expects to collect from outstanding balances. Management provides for the probability of uncollectible amounts though a charge to earnings and current expected credit losses to an allowance for doubtful accounts based on its assessment, which includes credit history and external events such as current and future political and economic conditions.

Grants received are recorded as with donor-imposed restrictions or without donor-imposed restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Grants received with donor-imposed restrictions that are met in the year of receipt are recorded as revenues without donor-imposed restrictions

At June 30, 2025 and 2024, grants receivable included $0 and $861,214, respectively due from Los Angeles Unified School District due to boys and girls clubs throughout Southern California for services under a master contract with Los Angeles Unified School District (See note 14).

Investments
Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the accompanying statements of financial position. Unrealized gains and losses are included in the change in net assets and are allocated among the two classifications of net assets.

Property and Equipment
Property and equipment are capitalized at cost, including expenditures that substantially increase the useful lives of existing assets. Contributed property and equipment are capitalized at approximate fair value at the date of donation. Cost of ordinary maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Club applies the five-step model to contracts when it is probable that the Club will collect the consideration to which it is entitled. To determine revenue recognition for arrangements within the scope of GAAP, the Club performs the following five steps: (1) identify the contracts 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 the Club satisfies a performance obligation. The Club 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. The Club's major sources of revenue are government grants, contributions and contributed goods and services, and special events. Revenue recognition for each major source of revenue is defined as the following:

Government Grants

Grants are recognized when the grant funds are received by the Club and are generally recorded as revenue with donor-imposed restrictions as the grants are generally conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Upon satisfying the grant conditions and qualifying expenses the Club will reclassify amounts recorded as revenue with donor-imposed restrictions to net assets without donor-imposed restrictions.

Revenue from cost reimbursement grants, which are conditioned upon certain performance requirements and\or the incurrence of allowable qualifying expenses, is recognized as revenue when the Club has incurred expenditures in compliance with the specific grant provisions.

Contributions and Grants

The Club recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as with donor-imposed restrictions or without donor-imposed restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor-imposed restrictions that are met in the year of receipt are recorded as revenues without donor-imposed restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor-imposed restrictions to net assets without donor-imposed restrictions in the statements of activities.

Special Events

The Club conducts special events to assist in the program operations. Revenue from special events is recognized in the period the special event is held. Funds received in advance of the special event are presented as deferred revenue or revenue with donor-imposed restrictions depending on the nature and circumstances. Net proceeds from special events are used for program operations.

Contributed Goods or Services

The Club records donated goods or services at their estimated fair value when the goods or services have been received. Estimated fair value is determined based on appraisals, other objective bases, or in certain circumstances management's best estimate of fair value.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased meeting GAAP requirements, are recognized on the financial statements. The Club receives substantial donated services each year from volunteers. These volunteer services, however, do not meet the above criteria, and therefore, no recognition of their services is included in the accompanying financial statements.

Contributions of property and equipment are reported without donor-imposed restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported with donor-imposed restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Club reports expirations of donor-imposed restrictions when the donated or acquired long-lived assets are placed in service.

Advertising
The Club expenses the costs of advertising in the period incurred. At June 30, 2025 and 2024, the Club had $16,371 and $15,314, respectively.

Functional Allocation of Expenses
The cost of providing the various programs and activities has been detailed on a functional basis in the accompanying statements of functional expenses. Expenses are directly charged to the program activities other than those that benefit multiple functions. Such expenses may include occupancy, telephone, computer support, and maintenance. These expenses are allocated based on their estimated usage for each functional class.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Club maintains bank accounts at one financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2025 and 2024, the Club had no uninsured cash.

At June 30, 2025 and 2024, a substantial portion of the Club's grants and accounts receivable is due from the Los Angeles Unified School District ("LAUSD"). The receivables are for services rendered by the Club or for services provided by other clubs (See note 14). At June 30, 2025 and 2024, approximately 53% and 80%, respectively, of grants and accounts receivable is due from LAUSD. Similarly a substantial portion of the Club's revenue is generated from contracts and grants from LAUSD. For the years ended June 30, 2025 and 2024, approximately 47% and 55%, respectively, of the Club's total revenue was generated from LAUSD.

NOTE 4 - INVESTMENTS

Generally Accepted Accounting Principles defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities the Club has the ability to access.
- Level 2 inputs are inputs other than quoted prices included with Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that are supported by little or no market activity and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

In some cases, inputs used to measure fair value might fall in different levels of the fair value hierarchy. In such cases, the level within which the asset falls is determined based on the lowest level input that is significant to the asset in its entirety. Assessing the significance of a particular input to the asset in its entirety requires judgment and considers 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 the Club's perceived risk of liquidity for the asset.

During the year ended June 30, 2025, the Club's investments were liquidated and at June 30, 2025, investments are reported as zero on the accompanying statements of financial position.

The following table presents information about the Club's investments measured at fair value as of June 30, 2024:

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 450,263	$ 0	$ 0	$ 450,263

For the years ended June 30, 2025 and 2024, income from investments consisted solely of interest of $15,666 and $11,047, respectively, is included in "Interest income" on the accompanying statements of activities.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2025	2024
Equipment and machinery	$ 40,869	$ 40,869
Vehicles	199,605	134,773
Computer software	116,204	116,204
Leasehold improvements	186,286	186,286
	542,964	478,132
Less: Accumulated depreciation	(331,052)	(302,527)
	$ 211,912	$ 175,605

Depreciation expense for the years ended June 30, 2025 and 2024, was $28,525 and $34,691, respectively.

NOTE 6 - LEASES

The Club leases certain office space, commercial buildings, and equipment at various locations in Carson, California. Management determines if an arrangement is a lease at inception. The Club's operating leases (there are no financing leases) are included in right of use assets ("ROU") and lease liabilities in the accompanying statements of financial position.

Right of use ("ROU") assets represent the Club's right to use an underlying asset for the lease term and lease liabilities represents the Club's obligation to make lease payments arising from the lease. Operating ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Leases, generally, do not include an implicit rate; management made the election to use the "risk-free rate" which is based on U.S. Treasury interest rates for the same or similar terms for each lease at the commencement date for the lease. Operating lease ROU assets exclude any lease incentives. Lease terms may include options to extend the lease term at the end of the initial lease period. When it is reasonably certain that the option will be exercised the renewal period is included in the lease term and the related payments are included in the ROU asset and lease liability. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The lease agreements do not include any material residual value guarantees or material restrictive covenants.

Management has elected to apply the short-term lease exemption to the Club's program and after school location on Main Street in Carson, CA and the Club's administration office on 220th Street, also in Carson, CA. For the years ended June 30, 2025 and 2024, the lease expense recognized for these leases was $84,000 and $71,800, respectively. The Main Street lease is renewed annually for a period of 12-months expiring on December 31, 2025. The lease is expected to be renewed again on January 1, 2026,for twelve months with similar terms. The administrative office lease is provided at below market value rates expiring on October 31, 2028. The lease may be terminated at any time by either party after December 1, 2025, with a six (6) month notice. For the years ended June 30, 2025 and 2024, the estimated fair value of the lease was $36,000 and $25,000, respectively, and is included in in-kind contributions and in-kind goods and services on the accompanying financial statements.

NOTE 6 - LEASES (Continued)

The sole lease included in the ROU asset is a copier lease that began on February 17, 2023, for sixty (60) months for program and administrative purposes. The lease required monthly lease payments of $295 and expires February 2028.

The following schedule summarizes ROU asset and lease commitments for June 30:

2026	$ 3,540
2027	3,540
2028	2,065
Thereafter	0
Total future minimum lease payments	9,145
Less imputed interest	(1,098)
Present value of lease payments	$ 8,047

Rent expense, excluding in-kind rent (See note 13), for the years ended June 30 2025 and 2024, was $44,432 and $46,932, respectively.

NOTE 7 - DEFERRED REVENUE

The Club recognizes sponsorship donations that are received in the current period but intended to be used for subsequent periods event as deferred revenue. The deferred revenue is intended to be used for the subsequent years annual Blue Door Bash fundraising event. Deferred revenue at June 30 2025 and 2024, was $24,010 and $24,000, respectively.

NOTE 8 - LINE OF CREDIT

The Club maintains an unsecured line of credit with Wells Fargo Bank in the amount of $100,000. Interest on the line of credit varies based on the "Prime Rate" as published in the Wall Street Journal. At June 30, 2025, the interest rate was 14.25%. At June 30, 2025 and 2024, the balance on the line of credit was $0 and available credit was $100,000.

NOTE 9 - CONTINGENCIES

The Club receives grants that have various compliance requirements which management believes have been adhered to in all material matters (See note 14).

On December 19 2024, the Club received notification of a lawsuit from a former member of the Boys Club of Carson. As of June 30, 2025, the lawsuit has not been completed and management believes the claim to be without merit. Accordingly, no reserve has been made in the accompanying financial statements.

NOTE 10 - NET ASSETS WITH DONOR-IMPOSED RESTRICTIONS

Net assets with donor-imposed restrictions at June 30, 2025 and 2024, are restricted for the following purposes:

	2025	2024
Subject to the Passage of Time or for Specified Use:		
Step-Up Scholarship	$ 51,452	$ 48,452
NFL TLC	13,986	0
Club Van Purchase	85,169	0
	$ 150,607	$ 48,452

NOTE 11 - RETIREMENT PLAN

The Club participates in a voluntary tax deferred annuity plan through the Boys' Club of America. Under the plan, the Club may contribute up to 10% of compensation for eligible full-time employees. For the years ended June 30, 2025 and 2024, the Club made contributions of $169,971 and $183,160, respectively.

NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Club monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. At June 30, 2025, the Club has the following financial assets that are not subject to donor-imposed restrictions that could readily be made available within one year of the statements of financial position to fund expenses:

Cash	$ 119,887
Accounts and grants receivable	704,982
Investments	0
	$ 824,869

In addition to financial assets available to meet general expenditures the Club operates with a balanced budget and anticipates covering its general expenditures through donations and grants from the general public and governmental agencies, fundraising events, and investment return.

NOTE 13 - IN-KIND CONTRIBUTIONS

During the years ended June 30, 2025 and 2024, the Club received discounted rent for the use of the administrative office (See note 6) and received lunches, snacks and other food items at no charge.

The estimated fair values for the use of facilities and lunches, snacks and other food items are presented as "In-kind contributions" on the accompanying statements of activities and as "In-kind good and services" on the accompanying statements of functional expenses.

NOTE 13 - IN-KIND CONTRIBUTIONS (Continued)

The estimated value of in-kind goods and services received during the years end June 30, 2025 and 2024, are as follows:

	2025	2024
Rent	$ 36,000	$ 25,000
Lunches, snacks, and other food items	258,312	216,958
	$ 294,312	$ 241,958

NOTE 14 - FEDERAL AND STATE GOVERNMENT GRANTS

The Club entered into a master contract agreement with the Los Angeles Unified School District on July 19, 2019, to provide before and after school programs for students at various schools sites throughout the LAUSD system. In order to provide such services the Club contracted with various other Boys & Girls Clubs throughout Los Angeles, California to provide such services within their geographic reach. Each of the other clubs is required to provide attendance and certain other reports to the Club in order for the Club to submit a bill LAUSD on a monthly basis. The Club recognizes grant revenue and program expenses for the services performed by the Club. The last invoice was recorded on July 17, 2024, and final payment was made on October 11, 2024. The agreement was not renewed.

For services provided by other clubs the Club does not recognize grant revenue or program expenses as the Club is merely a pass-through entity. The Club provides administrative support for the contract with LAUSD and the other clubs and compensation for such services is included in "Fiscal Agent Fees" in the accompanying statements of activities. At June 30, 2025 and 2024, the amount due from LAUSD and the amount due to other clubs is $0 and $861,214, respectively. These amounts are included in “Accounts and grants receivable” and as “Due to other clubs” on the accompanying statements of financial position.

The Club is required to maintain appropriate accounting and recordkeeping for a minimum of seven years after the termination of the contract. Additionally, the Club is subject to audit or examination by LAUSD with or without prior notice.

The Club is also required to comply with federal, state, and local laws and regulations and maintain appropriate insurance coverage as well as several other compliance requirements. Management monitors the Club’s compliance requirements and believes all compliance requirements have been fulfilled.

The 2019 to 2024 master contract with LAUSD, which included the Club as the fiscal agent for other Boys & Girls Clubs, expired on June 30, 2024. The new contract with LAUSD, which includes only Club-operated locations, took effect July 1, 2024, and expires on June 30, 2029. The new contract does not include fiscal agent responsibilities for other clubs. The change in the Club’s contract with LAUSD had no material impact on the Club’s current and ongoing operations.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 9, 2026, the date the financial statement were available to be issued.