BOYS AND GIRLS CLUB OF THE COASTSIDE

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

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INTRODUCTORY SECTION

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BOYS AND GIRLS CLUB OF THE COASTSIDE
Financial Statements
For the Years Ended December 31, 2023 and 2022

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BOYS AND GIRLS CLUB OF THE COASTSIDE

BOARD OF DIRECTORS

DECEMBER 31, 2023

BOARD OF DIRECTORS

Betsy del Fierro, Co-President
Roger A. Estrella, Co-President
Chuck Ott, Treasurer
Josh Warshauer, Secretary
Steve Bacich
Kris Hammerstrom
Katie Howell
Geronimo Jimenez
Chris Johnson
Clodagh Larkin
Kristina Lugo
Susie Montgelas
John Nazar
Alan O'Driscoll
Virginia Perry
Brianne Angelini Phillips
Sandra Turner
Laurie Weigelt
Ken Will

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Boys and Girls Club of the Coastside
Half Moon Bay, California

Opinion

We have audited the financial statements of the Boys and Girls Club of the Coastside (Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, respectively, 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 Boys and Girls Club of the Coastside as of December 31, 2023 and 2022, and the changes in its net assets and its 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 Auditor's Responsibilities for the Audit of the Finance Statements section of our report. We are required to be independent of the Boys and Girls Club of the Coastside 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 opinions.

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 Organization's ability to continue as a going concern for a reasonable period of time, generally within one year after the date that the financial statements are available to be issued.

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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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Organization'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 Organization'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.

Maze & Associates

Pleasant Hill, California
August 15, 2024

BOYS AND GIRLS CLUB OF THE COASTSIDE
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Current Assets:		
Cash (Note 3)	$754,168	$642,683
Investments (Note 3)	1,314,513	1,165,784
Accounts Receivable	28,833	51,523
Prepaid Expenses	6,440	5,909
Total Current Assets	2,103,954	1,865,899
Non-Current Assets:		
Property and Equipment, net (Note 4)	7,952	8,677
Total Assets	$2,111,906	$1,874,576
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$5,411	$561
Other Current Liabilities	47,646	49,958
Total Current Liabilities	53,057	50,519
Non-Current Liabilities:		
Scholarships (Note 2K)	8,143	7,643
Total Non-Current Liabilities	8,143	7,643
Total Liabilities	61,200	58,162
Net Assets (Note 2A):		
Without Donor Restrictions	1,912,453	1,722,835
With Donor Restrictions (Note 9)	138,253	93,579
Total Net Assets	2,050,706	1,816,414
Total Liabilities and Net Assets	$2,111,906	$1,874,576

See accompanying notes to financial statements.

BOYS AND GIRLS CLUB OF THE COASTSIDE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Program Revenue	$571,032	$22,351	$593,383
Community Contributions	230,684		230,684
Fundraising	65,366		65,366
Special Events (Note 5)	270,726		270,726
Grants	359,760	75,000	434,760
In-Kind Contributions (Note 11)	211,427		211,427
Total Support and Revenue	1,708,995	97,351	1,806,346
Net Assets Released From Restrictions:			
Satisfaction of Usage Requirements (Note 9)	52,677	(52,677)	
Expenses:			
Program Services	990,426		990,426
Management and General	329,614		329,614
Fundraising	365,178		365,178
Total Expenses	1,685,218		1,685,218
Other Income and Losses:			
Other Income	5,500		5,500
Net Investment Income (Loss)	107,664		107,664
Total Other Income and Losses	113,164		113,164
Changes in Net Assets	189,618	44,674	234,292
Net Assets, beginning of year	1,722,835	93,579	1,816,414
Net Assets, end of year	$1,912,453	$138,253	$2,050,706

See accompanying notes to financial statements.

2022		
Without Donor Restrictions	With Donor Restrictions	Total
$432,606	$13,560	$446,166
184,456		184,456
43,621		43,621
313,828		313,828
171,647	70,000	241,647
186,544		186,544
1,332,702	83,560	1,416,262
101,065	(101,065)	
875,840		875,840
297,750		297,750
274,717		274,717
1,448,307		1,448,307
(191,218)		(191,218)
(191,218)		(191,218)
(205,758)	(17,505)	(223,263)
1,928,593	111,084	2,039,677
$1,722,835	$93,579	$1,816,414

BOYS AND GIRLS CLUB OF THE COASTSIDE
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			
	Program Services	Management and General	Fundraising	Total
Salaries and wages	$552,186	$248,484	$119,640	$920,310
Payroll taxes	44,641	20,088	9,672	74,401
Program expenses	171,225			171,225
Advertising (Note 2L)	15,905			15,905
Contract services	36,020			36,020
Depreciation (Note 4)	1,359	577	124	2,060
Travel	1,075			1,075
Shipping and postage	1,836			1,836
Insurance		37,855		37,855
Other expenses	17,818			17,818
Operating expenses	43,793			43,793
Professional and outside services		22,610		22,610
Repair and maintenance	20,107			20,107
Fundraising			91,299	91,299
Utilities and telecommunications	459			459
Furniture and equipment	17,018			17,018
In-kind rent (Note 11)	39,000			39,000
In-kind goods (Note 11)	27,984		144,443	172,427
Total Expenses	$990,426	$329,614	$365,178	$1,685,218

See accompanying notes to financial statements.

BOYS AND GIRLS CLUB OF THE COASTSIDE
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2022			
	Program Services	Management and General	Fundraising	Total
Salaries and wages	$467,360	$233,680	$77,893	$778,933
Payroll taxes	38,041	19,021	6,340	63,402
Program expenses	153,513			153,513
Advertising (Note 2L)	12,787			12,787
Contract services	22,152			22,152
Depreciation (Note 4)	2,274	310		2,584
Travel	4,638			4,638
Shipping and postage	1,034			1,034
Insurance		22,628		22,628
Other expenses	15,971			15,971
Operating expenses	32,033			32,033
Professional and outside services		22,111		22,111
Repair and maintenance	42,756			42,756
Fundraising			70,328	70,328
Utilities and telecommunications	266			266
Furniture and equipment	16,627			16,627
In-kind rent (Note 11)	39,000			39,000
In-kind goods (Note 11)	27,388		120,156	147,544
Total Expenses	$875,840	$297,750	$274,717	$1,448,307

See accompanying notes to financial statements.

BOYS AND GIRLS CLUB OF THE COASTSIDE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flow from operating activities:		
Changes in net assets	$234,292	($223,263)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,060	2,584
Loss on disposal of assets		408
Loss (gain) on investments	(107,664)	191,218
(Increase) decrease in assets:		
Accounts receivable	22,690	(29,381)
Prepaid expenses and other current assets	(531)	(4,158)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	4,850	(2,262)
Other current liabilities	(2,312)	8,016
Net cash provided (used) by operating activities	153,385	(56,838)
Cash flows from investing activities:		
Purchase of investments	(113,581)	(74,570)
Proceeds from sale of investments	71,681	66,963
Net cash (used) by investing activities	(41,900)	(7,607)
Net change in cash and cash equivalents	111,485	(64,445)
Cash and cash equivalents, beginning of year	642,683	707,128
Cash and cash equivalents, end of year	$754,168	$642,683

Supplemental disclosure of cash flow information:

The Organization paid no interest or taxes in 2023 or 2022.

Noncash transactions:

	2023	2022
Donated rent	$39,000	$39,000
Donated goods	$172,427	$147,544

See accompanying notes to financial statements.

NOTE 1 – REPORTING ENTITY

A. Description of the Organization

The Boys and Girls Club of the Coastside (the Organization) is an affiliate chartered under The Boys and Girls Clubs of America. Its mission is to enable all coastside youth, especially those who need help most, to reach their full potential as productive, caring, responsible citizens. The Organization provides out-of-school programs promoting learning opportunities for youth typically 7 to 18 years of age on development of academic, citizenship, health, recreation, and community integration skills.

B. Programs

The Organization's middle school and teen programs are located at Cunha Intermediate School and occupy eight classrooms, including 6 portable units. The portables were added in 2020 to support remote learning and will be used for the Organization's after-school academic and enrichment programs. In 2021, the Organization took over management of the Cunha after school sports programs, which include 35 teams playing 8 sports competing in our local middle school sports league. In the Fall of 2022, the Organization added a 5th grade afterschool program. In addition, the Organization runs a golf program, a soccer club and a basketball program. In 2016, the Organization, in partnership with the Cabrillo Unified School District and the City, commenced construction on an 18,000 square-foot multi-use facility that will serve as a gymnasium for both the Organization and the school district. In partnership with the City, the Organization also constructed a new Skate Plaza. The operations are supported primarily through donor contributions, grants, auctions, and special events.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, Financial Statements of Not-for-Profit Organizations.

The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The Organization relies primarily on program service fees, grants from public and private foundations, community contributions, fundraising activities and membership dues. Public contributions are recorded upon receipt. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as 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. The Organization considers that all contributions for long-lived assets have implied time restrictions and classifies this support as donor restricted until the purpose restriction is met.

B. Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

C. Investments

Investments are reported at their fair values in the statements of financial position using readily determinable market values. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

D. Receivables

Contributions and grants receivable are stated at the amount the Organization’s management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation based on its assessment of the current status of individual accounts. Management believes the entire balance of receivables is collectible, and therefore, no allowance was recorded as of December 31, 2023 and 2022, respectively.

E. Concentration of Credit Risk

The Federal Deposit Insurance Corporation (“FDIC”) insures account balances at each insured institution. The Organization maintains deposit accounts with a financial institution and frequently carries balances that exceed FDIC insurance limits. Management believes the Organization is not exposed to any significant credit risk related to cash.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property and Equipment

Fixed asset additions in excess of $1,000 are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives of the assets ranging from 5 to 7 years. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in changes in net assets.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The Organization paid no taxes on unrelated business income in the years ended December 31, 2023 or 2022, respectively.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Organization's tax returns remain open for federal income tax examination for three years from the date of filing, respectively.

I. Functional Allocation of Expenses

The costs for providing the various programs and activities have been summarized on a functional basis in the statements of activities. Those expenses which cannot be specifically identified by function type have been allocated to functions based upon management's best estimate of usage. For certain expenses, such as payroll costs and depreciation, these estimates are based on a time study performed in previous years.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fair Value Measurements

The Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is defined as 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. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

K. Scholarships

Annually, the Organization awards a Junior Youth of the Year Scholarship to an 8th grader and a Youth of the Year Scholarship to a high school student. The recipients will receive the scholarship after graduating high school and enrolling in a college or trade school.

In 2023 the Organization began collecting contributions for the Bob Senz vocational scholarship. The recipients will receive the scholarship after graduating high school and pursuing vocational training. These scholarships will begin to be awarded in 2024.

L. Advertising Expenses

The Organization incurs costs associated with advertising the various campaigns and program offerings provided. Advertising expenses for the years ended December 31, 2023 and 2022 were \$15,905 and \$12,787, respectively. These costs are expensed as incurred.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Lease Accounting

The Organization recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of the existing contract are changed. As of December 31, 2023, the Organization did not have any significant leases that should be recorded on the Statement of Financial Position.

N. Donated Goods and Services

Donated goods, if any, are recorded in the financial statements at the estimated fair value in the period received. Contributions of donated services that create or enhance a non-financial asset, or require specialized skills and 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. During the years ended December 31, 2023 and 2022, the Organization received $211,427 and $186,544, respectively, in donated rent and goods. See Note 11 for further details on donated goods and services.

O. New Accounting Pronouncements

During the years ended December 31, 2023 and 2022, respectively, the Organization adopted the requirements of the following Financial Accounting Standards Board (FASB) Pronouncements and Accounting Standards Updates (ASUs):

During the year ended December 31, 2022, the Organization adopted the requirements of FASB ASU No. 2016-02, *Leases.* This Update requires entities to recognize right-of-use assets and lease obligation liabilities on the Statement of Financial Position. This includes leases of all property, plant, and equipment and excludes (1) leases of intangible assets, (2) leases to explore for or use nonregenerative resources, (3) leases of biological assets, (4) leases of inventory, and (5) leases of assets under construction. In fiscal year 2022, the Organization took an inventory of its leases and determined that the office lease did not apply to this Update, and its office equipment lease was below management’s threshold for recognizing leases, and therefore, the adoption of this Update did not result in any cumulative change to the Organization’s financial statements as no right-of-use assets or liabilities were recorded on the Statement of Financial Position related to leases.

During the year ended December 31, 2022, the Organization adopted the requirements of FASB ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Gifts in Kind).* This Update requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Expenses may be reported in the statement of activities by either natural classification or functional classification or by both.

An entity shall disclose in the notes to financial statements a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. For each category of contributed nonfinancial assets, an Not For Profit also shall disclose the following:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Qualitative information about whether contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used shall be disclosed.
b. The NFP's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
c. A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
d. A description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition.
e. The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient NFP is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

For the year ended December 31, 2022, the Organization ensured that In-Kind Contributions were reported on a separate line on the Statement of Activities, and footnote disclosures were updated for the additional requirements (see Note 11). The implementation of this Update did not result in any restatement of the financial statements.

P. Subsequent Events

Management has evaluated subsequent events through August 15, 2024, the date on which the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure in the financial statements.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments at December 31 consisted of the following:

	2023	2022
Cash in bank	$754,168	$642,683
Investments:		
Equities	65,922	47,843
Mutual Funds	1,248,591	1,117,941
Total Cash and Investments	$2,068,681	$1,808,467

The Organization invests in money market funds, equities and mutual funds with financial institutions. The Organization's investments are reported at their fair market values using level 1 fair value measures (quoted price in active markets) in the statement of financial position. Investment accounts held at one institution are in excess of the SIPC insurance limit of $500,000 (of which $250,000 may be utilized for cash accounts).

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are shown net of accumulated depreciation. Property and equipment at December 31 consisted of the following:

	2023	2022
Office furniture and equipment	$45,533	$57,567
Teen Center	6,425	11,074
Software	17,527	17,527
Total property and equipment	69,485	86,168
Less: accumulated depreciation	(61,533)	(77,491)
Property and equipment, net	$7,952	$8,677

Depreciation expense for the years ended December 31, 2023 and 2022 was $2,060 and $2,584, respectively.

NOTE 5 – SPECIAL EVENTS

Income from the Organization's annual event consisted of the following for the years ended December 31:

	2023	2022
Contributions and sponsorships	$270,726	$313,828
Less: costs of direct donor benefit	(61,526)	(53,680)
Total, net of costs of direct donor benefit	$209,200	$260,148

NOTE 6 – PROGRAM EXPENSES

During the years ended December 31, 2023 and 2022, the Organization made irrevocable donations in the amount of $18,343 and $33,988, respectively, to renovate existing sports facilities at public schools in the Half Moon Bay area. As the Cabrillo Unified School District maintains ownership of the facilities and retains responsibility for ongoing maintenance and repair work, the expenditures are not capitalized in the accompanying financial statements but are included in the program expenses.

NOTE 7 – CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 8 – RETIREMENT PLAN

The Organization has a retirement plan that provides for a matching contribution up to 3% of an employee's annual compensation. For the years ended December 31, 2023 and 2022, the Organization contributed $12,736 and $8,332, respectively, to the plan.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions activity for the year ended December 31, 2023 consisted of the following:

	2022	Increases	Releases	2023
Cunha Soccer Facility	$12,453	$2,500	$1,970	$12,983
Sports/Outreach	(19,851)	19,851		
Community HUB	36,810		10,707	26,103
Time restricted	64,167	75,000	40,000	99,167
Net assets with donor restrictions	$93,579	$97,351	$52,677	$138,253

Net assets with donor restrictions activity for the year ended December 31, 2022 consisted of the following:

	2021	Increases	Releases	2022
Cunha Soccer Facility	$23,983	$11,660	$23,190	$12,453
Sports/Outreach	8,651	1,900	30,402	(19,851)
Community HUB	50,000		13,190	36,810
Time restricted	28,450	70,000	34,283	64,167
Net assets with donor restrictions	$111,084	$83,560	$101,065	$93,579

NOTE 10 – RELATED PARTIES

Two of the Organization's Board members, and one spouse of a Board member participate as coaches for the afterschool sports programs. These coaches received a stipend approved either by members of the Soccer Club Committee and/or the Executive Director. For the years ended December 31, 2023 and 2022, related parties received $23,225 and $9,201, respectively, in coaching stipends.

NOTE 11 – IN-KIND DONATIONS

Many individuals volunteer their time and perform a variety of tasks that assist the Organization, however these services do not meet the criteria for recognition as contributed services. The Organization records the value of in-kind contributions when there is an objective basis available to measure their fair value.

NOTE 11 – IN-KIND DONATIONS (Continued)

The Organization is not charged for the use of its office space. Fair value of the office space was $39,000 and $39,000 for the years ended December 31, 2023 and 2022, respectively, and is recognized in the accompanying financial statements as in-kind contribution revenue, offset by in-kind rent expense. The Organization utilizes the office space for its programs and general and administrative purposes, is valued at what the Organization would pay for similar space, and has no donor restrictions.

The Organization also received in-kind donations that were all valued at fair value upon receipt in the total amount of $172,427 for fiscal year 2023. Of the total amount donated, $27,984 were donations for programs, $144,443 were a result of its fundraising operations of which $51,953 was used toward the annual gala event and the remaining $92,490 was sold or used in the Organization's operations. In valuing these donations, the Organization estimated the fair value on the basis of estimation of wholesale values that would be received for selling similar products in the United States. There were no donor restrictions on these items.

NOTE 12 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

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, consisted of the following at December 31, 2023:

Total current financial assets:	
Cash and cash equivalents	$754,168
Short-term investments	1,314,513
Accounts receivable	28,833
Total current financial assets	2,097,514
Contractual or donor-imposed restrictions:	
Donor-imposed restrictions for specific purposes	138,253
Amounts set aside for Scholarships	8,143
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	$2,243,910

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