PRO KIDS GOLF ACADEMY, INC.
dba PRO KIDS, FIRST TEE - SAN DIEGO
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

PRO KIDS GOLF ACADEMY, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Pro Kids Golf Academy, Inc.
dba Pro Kids, First Tee - San Diego

Opinion

We have audited the accompanying financial statements of Pro Kids Golf Academy, Inc. dba Pro Kids, First Tee - San Diego (a California non-profit corporation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Pro Kids Golf Academy, Inc. dba Pro Kids, First Tee - San Diego as of December 31, 2024 and 2023, and the results of its operations 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. 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 Pro Kids Golf Academy, Inc. dba Pro Kids, First Tee - San Diego 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 Pro Kids Golf Academy, Inc. dba Pro Kids, First Tee - San Diego'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

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assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pro Kids Golf Academy, Inc. dba Pro Kids, First Tee - San Diego'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about Pro Kids Golf Academy, Inc. dba Pro Kids, First Tee - San Diego'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.

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An accountancy corporation

May 14, 2025

PRO KIDS GOLF ACADEMY, INC.
dba PRO KIDS, FIRST TEE - SAN DIEGO
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 861,398	$ 1,119,013
Receivables (note 3)	281,682	222,399
Inventory	16,437	7,009
Prepaid expenses	28,205	26,681
	1,187,722	1,375,102
PROPERTY AND EQUIPMENT (note 4)	4,036,987	4,253,791
OTHER ASSETS		
Investments (note 6)	4,117,454	3,341,554
Pledges receivable - long-term (note 3)	400,000	600,000
Right-of-use assets (note 8)	172,511	196,179
	4,689,965	4,137,733
TOTAL ASSETS	9,914,674	9,766,626
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	34,404	25,604
Accrued expenses	151,452	131,229
Unearned revenue	32,234	29,344
Lease liabilities - current (note 8)	22,776	19,804
	240,866	205,981
LONG-TERM LIABILITIES		
Lease liabilities (note 8)	159,264	180,632
TOTAL LIABILITIES	400,130	386,613
NET ASSETS (note 10)		
Without donor restrictions	8,290,901	7,990,493
With donor restrictions	1,223,643	1,389,520
	9,514,544	9,380,013
TOTAL LIABILITIES AND NET ASSETS	$ 9,914,674	$ 9,766,626

See accompanying notes

PRO KIDS GOLF ACADEMY, INC.
dba PRO KIDS, FIRST TEE - SAN DIEGO
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUE WITHOUT DONOR RESTRICTIONS		
Donations	$ 1,652,221	$ 516,496
Golf course	750,880	676,989
Investment return	435,340	471,132
Other income	129,538	200,954
In kind donations	25,117	29,117
	2,993,096	1,894,688
Special events, net (note 12)		
Special events revenue	1,203,066	1,198,805
Direct benefits to donors	(88,800)	(91,300)
	1,114,266	1,107,505
NET ASSETS RELEASED FROM RESTRICTION	310,500	457,513
TOTAL REVENUE WITHOUT DONOR RESTRICTIONS	4,417,862	3,459,706
OPERATING EXPENSES		
Program services	3,294,584	3,053,413
Management and general	362,309	246,434
Development	460,561	341,155
	4,117,454	3,641,002
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	300,408	(181,296)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Donations	131,309	1,337,500
Investment return	13,314	13,578
Net assets released from restrictions	(310,500)	(457,513)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(165,877)	893,565
TOTAL CHANGE IN NET ASSETS	134,531	712,269
NET ASSETS, BEGINNING	9,380,013	8,667,744
NET ASSETS, ENDING	$ 9,514,544	$ 9,380,013

PRO KIDS GOLF ACADEMY, INC.
dba PRO KIDS, FIRST TEE - SAN DIEGO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	DEVELOPMENT	TOTAL
EXPENSES				
Auto	$ 13,117	$ -	$ -	$ 13,117
Facility and equipment maintenance	359,713	10,934	10,934	381,581
Food and beverage	-	-	40,785	40,785
Insurance	92,726	11,591	11,591	115,907
Leases (note 8)	13,805	-	-	13,805
Marketing	-	-	15,073	15,073
Office and administrative	43,501	39,536	13,654	96,691
Outside services	82,695	59,492	63,026	205,213
Personnel	1,863,831	177,827	270,787	2,312,445
Production	212,385	-	83,867	296,252
Professional development	11,587	-	-	11,587
Professional services	-	20,400	-	20,400
Scholarships	169,111	-	-	169,111
Supplies	70,605	1,952	1,234	73,791
Training and education	3,444	-	-	3,444
Travel and meals	30,773	2,508	340	33,621
Utilities and telephone	92,615	11,577	11,577	115,769
Youth events	22,735	-	-	22,735
TOTAL EXPENSES BEFORE DEPRECIATION	3,082,643	335,816	522,868	3,941,327
Depreciation	211,942	26,493	26,493	264,927
TOTAL EXPENSES	3,294,584	362,309	549,361	4,206,254
Less: Direct benefits to donors at special events included in revenue	-	-	(88,800)	(88,800)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	$ 3,294,584	$ 362,309	$ 460,561	$ 4,117,454

PRO KIDS GOLF ACADEMY, INC.
dba PRO KIDS, FIRST TEE - SAN DIEGO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	DEVELOPMENT	TOTAL
EXPENSES				
Auto	$ 14,064	$ -	$ -	$ 14,064
Bad debt	700	-	-	700
Facility and equipment maintenance	335,509	10,198	10,198	355,905
Food and beverage	-	-	35,720	35,720
Insurance	68,166	8,521	8,521	85,208
Leases (note 8)	10,019	-	-	10,019
Marketing	-	-	4,468	4,468
Office and administrative	28,174	25,605	8,843	62,622
Outside services	86,207	62,019	65,702	213,928
Personnel	1,681,397	76,309	166,726	1,924,432
Production	184,435	-	90,212	274,647
Professional development	7,435	-	-	7,435
Professional services	-	19,000	-	19,000
Scholarships	172,903	-	-	172,903
Supplies	70,485	1,948	1,232	73,666
Training and education	10,162	-	-	10,162
Travel and meals	28,401	2,315	314	31,030
Utilities and telephone	86,269	10,784	10,784	107,836
Youth events	31,209	-	-	31,209
TOTAL EXPENSES BEFORE DEPRECIATION	2,815,535	216,699	402,720	3,434,954
Depreciation	237,878	29,735	29,735	297,348
TOTAL EXPENSES	3,053,413	246,434	432,455	3,732,302
Less: Direct benefits to donors at special events included in revenue	-	-	(91,300)	(91,300)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	$ 3,053,413	$ 246,434	$ 341,155	$ 3,641,002

PRO KIDS GOLF ACADEMY, INC.
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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES		
Change in net assets	$ 134,531	$ 712,269
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Operating lease amortization	5,272	1,605
Depreciation	264,927	297,348
Unrealized and realized gain on investments	(359,311)	(403,367)
Donated investments	(65,044)	(43,983)
Loss on disposal of property	949	45
Change in operating assets and liabilities:		
Receivables	540,717	(95,147)
Inventory	(9,428)	3,149
Prepaid expenses	(1,524)	(5,403)
Pledges receivable - long-term	(400,000)	(600,000)
Accounts payable and accrued expenses	29,023	16,138
Unearned revenue	2,890	247
	8,471	(829,368)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	143,002	(117,099)
CASH FLOWS USED BY INVESTING ACTIVITIES		
Proceeds on sales of investments	2,091,226	3,032,755
Acquisitions of investments	(2,442,772)	(3,208,728)
Acquisitions of property and equipment	(49,072)	(165,548)
NET CASH USED BY INVESTING ACTIVITIES	(400,617)	(341,522)
NET CHANGE IN CASH	(257,615)	(458,621)
CASH, BEGINNING OF YEAR	1,119,013	1,577,634
CASH, END OF YEAR	$ 861,398	$ 1,119,013
SUPPLEMENTAL DISCLOSURES		
Noncash investing activities:		
In-kind property and equipment (note 14)	$ 1,000	$ 6,017

NOTE 1 THE ORGANIZATION

Pro Kids Golf Academy, Inc. dba Pro Kids, First Tee - San Diego (the "Organization") is a non-profit corporation and a leader in youth development programming. The Organization operates year-round with programming 6 days a week for youth beginning at age 7 through high school. The Organization's signature golf and life skills program couples on-course coaching with a curriculum that seamlessly integrates instruction in life skills (i.e. proper introductions, handling frustration, resiliency, etc.) and core values (i.e. honesty, respect, sportsmanship, etc.). In addition to this golf and life skills instruction delivered by PGA members and apprentices, the Organization's Learning Center educators provide critical academic support and personal development opportunities that support and reinforce the activities and efforts of City Heights and Oceanside schools. Both on and off the course, the Organization exposes kids to positive opportunities after high school and equips them to become leaders in the community. A cornerstone of the Organization's program is the Pro Kids scholarship; since 1999, the Organization has awarded over $3.1 million to more than 308 scholars as of December 31, 2024, most of whom are the first in their families to pursue higher education. Program participants are offered mentorship by volunteer leaders from San Diego's business community.

The Organization formally began offering academic support to kids with the construction of its first, state of the art, Learning Center in 2001. Building upon this longstanding commitment to advance education, the Pro Kids Learning Center was updated in 2020 to help underserved kids close the experience gap and develop the necessary core competencies to navigate the complex journey to college and ultimately career success. This is achieved by integrating existing golf and life skills programming with relevant curriculum in the areas of science, technology, engineering, and mathematics paired with mentoring programs and community service opportunities.

The Organization partnered with Feeding San Diego in the winter of 2018 as an Adult Care Food Program and Summer Food Service Program distribution site and now offers food distribution several days throughout each year. In 2024 the Organization partnered with Heaven's Windows to distribute free meal packs to youth participants five days a week.

The Organization was incorporated as a 501(c)(3), not for profit organization in 1994. A small group of influential sports and business leaders partnered with the City of San Diego to provide underserved youth positive recreational activities and with an aim to increase minority participation in junior golf programs. Currently, the Organization partners with city and county schools in San Diego and Oceanside, providing physical education classes, serving as a resource for local high school golf teams, offering PGA Junior League golf competition, and acting as a centralized equipment donation program for the San Diego County region. The Organization operates and maintains the Colina Park public golf course and program facility in San Diego and a program facility in Oceanside.

The Organization consists of the following activities and funding sources:

1) General activities funded by general unrestricted donations.
2) Special activities funded by restricted donations and grants.
3) Sale of merchandise and green fees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The accompanying financial statements are prepared using the accrual method of accounting in conformity with generally accepted accounting principles (GAAP) in the United States.

Estimates - The preparation of financial statements in conformity with GAAP requires the Organization to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Financial statement presentation - The Organization follows the Financial Accounting Standards Board's (FASB) Financial Statements of Not-for-Profit Organizations for presentation of its financial statements which require that net assets, support, revenue and gains, expenses and losses be classified as with donor restrictions and without donor restrictions.

Net assets without donor restrictions - Consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Net assets without donor restrictions also include amounts designated for certain purposes by the Board of Directors.

Net assets with donor restrictions - These net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. These net assets also include amounts that are restricted by donors that neither expire by the passage of time nor can be fulfilled or removed by actions of the Organization.

Cash and cash equivalents - The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents. The Organization maintains three checking accounts at a national bank and seven investment accounts containing cash balances at two national investment firms insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). At various times, cash balances may exceed the federally insured limits. As of December 31, 2024 and 2023, $281,517 and $56,440, respectively, were in excess of the FDIC limit and $0 was in excess of the SIPC limit. As of December 31, 2024 and 2023, the Organization maintains cash balances in a national investment firm that are not insured by any agency in the amounts of $121,663 and $383,827, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Receivables - Receivables include donor promises to give and reimbursement grants. It is the Organization's policy to charge off receivables when management determines the receivable will not be collected. As of December 31, 2024 and 2023, all receivables are considered collectible.

Credit Losses - The Organization follows ASU 2016-13 Financial Instruments – Credit Losses (Topic 326) and all related amendments. The standard replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to trading receivables, financing receivables, held-to-maturity debt securities, and receivables relating to repurchase agreements and securities lending agreements. It also applies to off-statement of financial position credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. There were no financial assets held by the Organization at December 31, 2024 and 2023, that were subject to this guidance. At December 31, 2024 and 2023, management has determined that there is no allowance for credit losses for the financial assets subject to this guidance.

Pledges receivable - The pledges receivable consist of donor promises to give and reimbursement grants. It is the Organization's policy to charge off uncollectible pledges receivable when management determines the pledge will not be collected. As of December 31, 2024 and 2023, all pledges are considered collectible.

Inventory - The Organization values its inventory at the lower of cost or net realizable value and uses the last-in first-out method. Inventory consists of merchandise held in the Pro Shop at the Colina Park facility.

Property and equipment - Property, building and leasehold improvements are stated at cost. All assets that are expected to be utilized for more than a year are capitalized. Major renewals and improvements are capitalized and charged to expense through depreciation expense. Repairs and maintenance are charged to expense as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the depreciable assets of 3 to 39 years. Golf course land improvements are carried at cost and are not subject to depreciation.

Impairment of property and equipment - The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amounts of an asset to the future net undiscounted cash flows expected to be generated by the asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such property. There were no impairment losses recognized for the years ended December 31, 2024 and 2023.

Leases - The Organization follows ASU 2016-02, Leases (Topic 842) and all related amendments. The standard established a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for all leases with a term longer than 12 months, and disclose key information about the leasing arrangements. Options to renew a lease are only included in the lease term to the extent those options are reasonably certain to be exercised. Leases will be classified as either finance or operating. Operating lease liabilities and their corresponding ROU assets are initially recorded based on the present value of lease payments over the term of the lease. The rate implicit in lease contracts is typically not readily determinable and, as a result, the Organization utilizes the treasury yield rate to discount lease payments. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset of its estimated life. The Organization had no finance leases at December 31, 2024 and 2023.

Investments - Investments are carried at fair market value. Income on investments are recognized as revenue in the period it is earned, and realized and unrealized gains and losses are recognized as changes in net assets in the accounting period in which they occur.

Unearned revenue - Rounds of golf can be purchased in advance at the Colina Park Pro Shop. Revenue is not recognized until the player redeems their purchase by playing the rounds of golf. The balance in unearned revenue represents the outstanding rounds of golf that have been purchased but not yet redeemed.

Fair value measurements - The Organization follows accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Revenue recognition - The financial statements of the Organization are presented on the accrual method of accounting. Under this method of accounting, revenues are recognized when earned or a donor makes a promise to give that is, in substance, unconditional. Revenue from cost reimbursement of grants is generally recorded when the costs are billed to the granting agency.

The Organization follows FASB Accounting Standards Codification ("ASC") Topic 606 ("ASC 606") Revenue from Contracts with Customers, which provides guidance for revenue recognition. This ASC's core principle requires an organization to recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods and services. The standard also clarifies the principal versus agent considerations. Providing the evaluation must focus on whether the entity has control of the goods or services before they are transferred to the customer.

Donor-imposed restrictions - All contributions are considered to be without donor restrictions unless specifically restricted by donor. Amounts received designated for future periods or restricted by the donor for specific purpose are reported as with donor restrictions, increasing that net asset class. Gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. However, if a restriction is fulfilled in the same fiscal period in which the contribution is received, the support is reported as without donor restrictions.

Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets with donor restrictions until the restriction is fulfilled.

In-kind goods and services - The Organization follows ASU No. 2020-07, "*Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets (Topic 958)."* ASU 2020-07 improves transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit entities. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization records donated goods with a fair value of $2,000 or more. In addition, the Organization recognizes the value of donated services by recording the donations at fair value. The fair value of donated goods has been measured on a nonrecurring basis using quoted prices for similar financial statement elements in inactive markets (level 2 inputs). All donated services recognized create a non-financial asset or required specialized skills that would have been purchased if not donated. In-kind donations for the years ended December 31, 2024 and 2023, were approximately $25,100 and $29,100, respectively. In 2024, one asset totaling $1,000 was capitalized and the remaining $24,117 was recorded as an expense. In 2023, two assets totaling $6,017 were capitalized and the remaining $23,100 was recorded as an expense.

Functional allocation of expenses - The Organization allocates its expenses on a functional basis among its program and support services. Directly identifiable expenses are charged to program and supporting services. There are certain categories of expenses that are attributable to more than one program or supporting function and require allocation on a reasonable basis. Personnel and professional services expenses are allocated on the basis of estimated time spent. Utilities and telephone expenses are allocated on the basis of square footage. Facility and maintenance, travel and meals, insurance, office and administrative, professional development and depreciation expenses are allocated on the basis of estimated usage.

Income taxes - The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code.

The Organization follows accounting standards which provide the accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax position and believes that all of the positions taken in its exempt organization tax returns are more likely than not to be sustained upon examination. As of December 31, 2024 and 2023, the Organization had no accrued interest or penalties related to uncertain tax positions.

NOTE 3 RECEIVABLES

For the years ended December 31, 2024 and 2023, receivables consisted of donations receivable of approximately $681,700 and $822,400, respectively. These are stated at outstanding balances, less any allowance for doubtful accounts.

Pledges receivable consist of the following at December 31, 2024 and 2023:

	2024	2023
Current:		
Due in less than one year	$ 281,682	$ 222,399
Noncurrent:		
Due in one to three years	400,000	600,000
Total pledges receivable	$ 681,682	$ 822,399

The following is a schedule by years of receipts for pledges as of December 31, 2024:

2025	$ 281,682
2026	200,000
2027	200,000
	$ 681,682

The long-term pledges receivable are due from a single donor. Management estimates this amount to be fully collectible.

NOTE 4 PROPERTY AND EQUIPMENT

Major categories of property and equipment are summarized as follows at December 31, 2024 and 2023:

	2024	2023
Colina Park:		
Leasehold improvements	$ 4,298,920	$ 4,298,920
Golf course equipment	413,338	506,518
Program furniture, fixtures and equipment	268,697	263,699
Vehicles	102,630	102,630
	5,083,584	5,171,767
Oceanside:		
Leasehold improvements	2,790,654	2,781,042
Program furniture, fixtures and equipment	90,559	90,291
Vehicles	121,476	121,476
	3,002,689	2,992,810
	8,086,273	8,164,577
Less: accumulated depreciation	(4,070,034)	(3,910,786)
	4,016,239	4,253,791
Construction in progress	20,748	-
	$ 4,036,987	$ 4,253,791

Depreciation expense was $264,927 and $297,348, respectively, for the years ended December 31, 2024 and 2023, respectively.

At December 31, 2024, construction in progress consisted of a solar project. The solar project is expected to be completed in December 2025 for an estimated total cost of $138,323.

NOTE 5 FAIR VALUE MEASUREMENT

The Organization follows the method of fair value measurements to value its financial assets and liabilities. Fair value is based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below.

> Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to level 1 inputs.

Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

The investments in exchange traded funds are valued at market prices in active markets and have readily determinable fair values. These assets are classified as level 1. The investments in corporate bond funds are valued at market prices in inactive markets. These are classified as level 2.

Financial assets carried at fair value and measured on a recurring basis at December 31, 2024 are classified below in one of the three levels described above:

	Level 1	Level 2	Level 3	Total
Assets				
Exchange traded funds	$ 2,944,430	$ -	$ -	$ 2,944,430
Corporate bonds	-	1,173,024	-	1,173,024
	$ 2,944,430	$ 1,173,024	$ -	$ 4,117,454

Financial assets carried at fair value and measured on a recurring basis at December 31, 2023 are classified below in one of the three levels described above:

	Level 1	Level 2	Level 3	Total
Assets				
Exchange traded funds	$ 2,312,868	$ -	$ -	$ 2,312,868
Corporate bonds	-	1,028,868	-	1,028,868
	$ 2,312,868	$ 1,028,868	$ -	$ 3,341,554

NOTE 6 INVESTMENTS

Investments are held at fair market value and consist of the following at December 31, 2024:

	Cost	Fair value
Exchange traded funds	$ 2,383,592	$ 2,944,430
Corporate bonds	1,183,915	1,173,024
	$ 3,567,507	$ 4,117,454

Investments are held at fair market value and consist of the following at December 31, 2023:

	Cost	Fair value
Exchange traded funds	$ 2,312,686	$ 2,312,686
Corporate bonds	1,026,021	1,028,868
	$ 3,338,707	$ 3,341,554

The following schedule summarizes the Organization's return on investment and its classification in the statement of activities and changes in net assets for the year ended December 31, 2024:

	Without donor restrictions	With donor restrictions	Total
Investment gain/(loss)	$ 366,459	$ (7,148)	$ 359,311
Dividends and interest	96,427	20,462	116,889
Investment fees	(27,546)	-	(27,546)
	$ 435,340	$ 13,314	$ 448,654

The following schedule summarizes the Organization's return on investment and its classification in the statement of activities and changes in net assets for the year ended December 31, 2023:

	Without donor restrictions	With donor restrictions	Total
Investment gain/(loss)	$ 405,005	$ (1,638)	$ 403,367
Dividends and interest	89,748	15,216	104,964
Investment fees	(23,621)	-	(23,621)
	$ 471,132	$ 13,578	$ 484,710

The Organization's investments are insured by the SIPC up to $500,000, including up to $250,000 of cash.

NOTE 7 LINE OF CREDIT

The Organization has an unsecured line of credit with a commercial bank for $300,000. The interest rate on the line is the lender's prime rate plus 2.25%, but no less than 7.75%. The lender's prime rate was 5.50% at December 31, 2024 and 2023. As of December 31, 2024 and 2023, no amounts had been drawn on the line. The line of credit is set to expire on September 1, 2025.

There was no interest expense related to the line for the years ended December 31, 2024 and 2023.

NOTE 8 LEASES

The Organization leases its headquarters office, land and golf course in San Diego under an operating lease with the City of San Diego. The annual rent base is $3,167 per year and is subject to increases based on the Consumer Price Index. In July 2010, the Organization entered into a thirty-year lease agreement with the City of Oceanside for its Oceanside facility. The annual rent base is $3,000 with $1,000 increases every 10 years. The operating lease costs were $8,533 and $8,414, for the years ended December 31, 2024 and 2023, respectively.

In May 2022, the Organization entered into a five year software service agreement. The monthly payment is $166. The operating costs are recorded in outside services on the statement of functional expenses.

The Organization has a lease agreement for office equipment. The monthly payment is based on the number of pages printed with a minimum of $1,067 per month. Additional charges may be incurred based on usage. In March 2023, the Organization renewed their lease agreement under a five year term. The operating costs are recorded in office and administrative on the statement of functional expense.

The weighted average remaining lease term is 128 months.

As the leases do not provide an implicit rate, the Organization uses a risk-free discount rate. The Organization elected to use the 10 year Treasury bill rate as of the transition date as the risk-free discount rate. The weighted average discount rate is 1.63% as of December 31, 2024 and 2023.

The following summarizes the cash flow information related to operating leases for the years ended December 31, 2024 and 2023:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 24,867	$ 23,184

Future minimum lease payments related to the operating lease liabilities for the years ended December 31 are as follows:

2025	$ 25,743
2026	26,660
2027	26,293
2028	13,403
2029	9,384
Thereafter	100,349
Total undiscounted lease payments	201,832
Less: present value discount	(19,792)
Total lease liabilities	$ 182,040

NOTE 9 ENDOWMENT FUND

Phil and Margie Ward Scholarship Fund - The Organization has received donations for the purpose of creating an endowment fund to support college scholarships. The donations are perpetual in nature and only the investment earnings on the principal can be used for scholarship distributions. Earnings on the fund are transferred at the end of each fiscal year to the scholarship investment accounts to be used for scholarship distributions. The fund had a balance of $241,458 and $232,622, respectively, at December 31, 2024 and 2023. The amount to be held in perpetuity was $215,116 as of December 31, 2024 and 2023.

Fiedler Fund - The Organization received donations for the purpose of supporting students in the college preparatory process. The donations are perpetual in nature and only the investment earnings on the principal can be used for supporting students in the college preparatory process. The Organization can use funds from the corpus with written authorization from Mrs. Fiedler or her designee. The fund had a balance of $147,531 and $142,053, respectively, as of December 31, 2024 and 2023. The amount to be held in perpetuity was $143,000 and $139,000, as of December 31, 2024 and 2023, respectively.

O'Brien Fund - In 2020, the Organization received an unrestricted donation through the estate of Owen and Marilyn O'Brien, who were long-term supporters of the Organization. To honor this contribution, the Organization's Board of Directors established a quasi-endowment fund, the O'Brien Fund, in 2021. The O'Brien fund and its earnings are unrestricted. The fund had a balance of $3,195,099 and $2,527,282, respectively, at December 31, 2024 and 2023.

The Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the presentation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original values of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment in perpetuity, and (c) accumulations to the endowment in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization's Board of Directors oversees the funds' investment, appropriation for expenditures, and granting of college scholarships. The funds are to be invested with a focus on security of principal and high current returns, which may include interest bearing investments.

The Organization has the following endowment related activities and changes in endowment net assets for the year ending December 31, 2024:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets			
Beginning of year	$ 2,527,282	$ 374,675	$ 2,901,957
Additions	734,941	4,000	738,941
Disbursements	(400,000)	(3,000)	(403,000)
Dividends and interest	68,631	20,461	89,092
Investment gain/(loss)	284,475	(7,148)	277,327
Investment fees	(20,230)	-	(20,230)
Endowment net assets, end of year	$ 3,195,099	$ 388,989	$ 3,584,088

The Organization has the following endowment related activities and changes in endowment net assets for the year ending December 31, 2023:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets			
Beginning of year	$ 2,178,747	$ 217,915	$ 2,396,662
Additions	-	143,183	143,183
Dividends and interest	57,621	15,215	72,836
Investment loss	308,129	(1,638)	306,491
Investment fees	(17,215)	-	(17,215)
Endowment net assets, end of year	$ 2,527,282	$ 374,675	$ 2,901,957

The Organization received donations that are held in perpetuity, $4,000, $20,000, $19,000, $60,000, and $40,000 in the years ended December 31, 2024, 2023, 2022, 2021 and 2020, respectively, with the purpose to establish the Gary W. Fiedler Memorial Fund. The endowment fund was established in January 2023, and as such the amounts are reflected in the with donor restrictions column as of December 31, 2024 and 2023.

The Organization received a donation held in perpetuity of $25,150 in the year ended December 31, 2024, with the purpose of establishing the Richard C. Helmstetter Memorial Scholarship Fund. In 2024, the funds were determined to be perpetual in nature. The establishment of the endowment fund is in process, and as such the amount is not reflected in the schedules above.

NOTE 10 NET ASSETS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by donors during the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Capital expenditures	$ 20,000	$ 2,000
Purpose restriction accomplished:		
Higher education support	200,000	200,000
General programs	60,000	110,000
Scholarships	27,500	144,314
College prep	3,000	1,199
	290,500	455,513
	$ 310,500	$ 457,513

Net assets consist of the following at December 31:

	2024	2023
With donor restrictions:		
Subject to expenditure for specific purpose:		
Higher education support	$ 600,000	$ 800,000
Capital improvements	115,159	95,000
Scholarships	97,315	69,979
Educational enrichment field trips	11,000	-
Legal support	7,372	7,372
General programs	5,000	60,000
College prep	4,531	3,053
	840,377	1,035,404
Investments in perpetuity	383,266	354,116
	1,223,643	1,389,520
Without donor restrictions:		
Board designated - operations and general reserves	678,005	779,693
Board designated - unrestricted endowment	3,195,099	2,527,282
Unrestricted and undesignated	4,417,797	4,683,518
	8,290,901	7,990,493
	$ 9,514,544	$ 9,380,013

NOTE 11 GRANTS

The Organization receives grants for financial assistance from various government agencies and foundations. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the Organization. In the opinion of the Organization's management, no material reimbursement of funds will be required as a result of expenditures allowed.

NOTE 12 SPECIAL EVENTS

Special event revenues and expenses consist of the following for the years ended December 31, 2024 and 2023:

	2024	2023
Revenues:		
Sponsorships	$ 699,000	$ 652,000
Donations	388,441	515,780
Auction proceeds	93,375	24,025
Ticket sales	22,250	7,000
	1,203,066	1,198,805
Expenses:		
Other expenses	276,633	299,253
Direct benefit to donors	88,800	91,300
	365,433	390,553
Net special events revenue	$ 837,633	$ 808,252

NOTE 13 RETIREMENT PLAN

The Organization maintains a SIMPLE IRA plan for its employees. The Organization provides matching contributions to the plan up to a maximum of 3% of the salaries of participating employees. The total matching contribution for the years ended December 31, 2024 and 2023 was $20,082 and $18,948, respectively. All contributions to the plan are 100% vested.

NOTE 14 DONATED GOODS AND SERVICES

Contributed non-financial assets recognized in the statements of activities and functional expenses consisted of the following for the years ended December 31:

	Revenue Recognized 2024	Revenue Recognized 2023	Valuation Techniques
Goods:			
Event Supplies	$ 23,100	$ 23,100	Fair market value
Equipment	1,017	6,017	Fair market value
Computer technology	1,000	-	Fair market value
	$ 25,117	$ 29,117	

The contributed non-financial assets were utilized for the Organization's operations.

NOTE 15 LIQUIDITY

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in short-term investments.

The following table reflects the Organization's financial assets as of December 31, 2024 and 2023 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designation. Amounts not available include alternative investments with redemption limitations as more fully described in notes 9 and 10. In the event that need arises to utilize the board-designated reserves for liquidity purposes, the reserves could be drawn upon through board resolution.

The table below presents financial assets available for general expenditures at December 31:

	2024	2023
Financial assets at year-end:		
Cash	$ 861,398	$ 1,119,013
Receivables	281,682	222,399
Investments	4,117,454	3,341,554
	5,260,534	4,682,966
Less:		
Donor imposed restrictions making financial assets unavailable for general expenditure	823,643	789,520
Board designated - operations and general reserves	678,005	779,693
Board designated - unrestricted endowment	3,195,099	2,527,282
Financial assets not available to be used within one year	4,696,747	4,096,495
Financial assets available to meet general expenditure within one year	$ 563,787	$ 586,471

To fund current programs which are ongoing, major and central to its annual operations and general expenditures the Organization has several sources of income as follows:

- Investment earnings without donor restrictions
- Appropriated investment earnings from donor-restricted gifts and endowments
- Board-designated investments for operations and general reserves
- Contributions without donor restrictions
- Contributions with donor restrictions

General expenditures include administrative and general expenses, fundraising expenses, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Organization's fiscal year.

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity, the income generated from such endowments is used to fund programs. Support without donor restrictions has historically represented approximately 90% of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating with a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

NOTE 16 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 14, 2025, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.