girls inc.

# of Greater Santa Barbara

FINANCIAL STATEMENTS

DECEMBER 31, 2025

Platinum Transparency 2024

Candid.

Charity Navigator

FOUR-STAR

GIRLS INC. OF GREATER SANTA BARBARA

December 31, 2025

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 – 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 18

Stoltey & Associates
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Girls Inc. of Greater Santa Barbara
Santa Barbara, California

Opinion

We have audited the accompanying financial statements of Girls Inc. of Greater Santa Barbara (a non-profit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Inc. of Greater Santa Barbara as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Girls Inc. of Greater Santa Barbara and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Girls Inc. of Greater Santa Barbara's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Girls Inc. of Greater Santa Barbara'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 Girls Inc. of Greater Santa Barbara'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.

Report on Summarized Comparative Information

We have previously audited Girls Inc. of Greater Santa Barbara's December 31, 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 8, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Stolfey & Associates

Orcutt, California
October 22, 2026

GIRLS INC. OF GREATER SANTA BARBARA
STATEMENT OF FINANCIAL POSITION
December 31, 2025
(With Comparative Totals for December 31, 2024)

ASSETS

	2025	2024
Current Assets		
Cash and cash equivalents	$ 523,183	$ 627,134
Accounts receivable, net	11,169	5,970
Contributions receivable	12,050	25,073
Bequest receivable	366,551	5,000
Prepaid expenses and deposits	22,082	21,969
Total Current Assets	935,035	685,146
Bequest receivable	-	366,825
Property and equipment, net	5,940,648	6,178,220
Investments designated for long-term use	4,961,458	4,782,073
Investments held in endowment	3,660,615	3,312,065
Total Assets	$ 15,497,756	$ 15,324,329

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	$ 54,404	$ 41,451
Accrued expenses	84,730	82,834
Current portion of long term debt	3,951	3,844
Total Current Liabilities	143,085	128,129
Long-Term Liabilities		
Economic Injury Disaster loan	133,920	137,870
Total Long-Term Liabilities	133,920	137,870
Total Liabilities	277,005	265,999
Net Assets		
Without donor restrictions		
Without board designation	6,131,700	6,450,221
Board designated - operating reserves	4,961,458	4,782,073
Total Without Donor Restriction	11,093,158	11,232,294
With donor restrictions:		
Purpose restrictions	88,377	117,073
Time restricted for future period	378,601	396,898
Endowment	3,660,615	3,312,065
Total With Donor Restriction	4,127,593	3,826,036
Total Net Assets	15,220,751	15,058,330
Total Liabilities and Net Assets	$ 15,497,756	$ 15,324,329

The accompanying notes are an integral part of this financial statement

GIRLS INC. OF GREATER SANTA BARBARA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Support				
Special events, gross	$ 81,568	$ -	$ 81,568	$ 122,685
Less direct costs	(48,459)	-	(48,459)	(32,802)
Special events, net	33,109	-	33,109	89,883
Grants - government	17,485	-	17,485	-
Contributions	1,043,654	111,250	1,154,904	1,125,091
In-kind contributions	42,213	-	42,213	37,244
Total Support	1,136,461	111,250	1,247,711	1,252,218
Revenue				
Contracts	19,471	-	19,471	4,000
Program fees	1,019,604	-	1,019,604	992,782
Rental and other revenues	17,477	-	17,477	3,152
Investment income	173,207	487,957	661,164	607,972
Total Revenue	1,229,759	487,957	1,717,716	1,607,906
Total Support and Revenue	2,366,220	599,207	2,965,427	2,860,124
Net assets released from restrictions				
Expiration of program restrictions	297,650	(297,650)	-	-
Expenses				
Program Services	1,838,835	-	1,838,835	1,703,227
Administrative	442,968	-	442,968	413,854
Fundraising	521,203	-	521,203	405,232
Total Expenses	2,803,006	-	2,803,006	2,522,313
Change in Net Assets	(139,136)	301,557	162,421	337,811
Net Assets at Beginning of Year	11,232,294	3,826,036	15,058,330	14,720,519
Net Assets at End of Year	$ 11,093,158	$ 4,127,593	$ 15,220,751	$ 15,058,330

The accompanying notes are an integral part of this financial statement

GIRLS INC. OF GREATER SANTA BARBARA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	Program Services	Administrative	Fundraising	2025 Total	2024 Total
Salaries	$ 957,425	$ 245,586	$ 274,194	$ 1,477,205	$ 1,213,915
Pension	5,421	4,019	2,480	11,920	11,764
Other employee benefits	93,862	37,993	7,270	139,125	92,213
Payroll taxes	76,610	18,456	21,373	116,439	107,482
Total salary and related expenses	1,133,318	306,054	305,317	1,744,689	1,425,374
Advertising & promotion	803	393	12,215	13,411	16,711
Supplies	86,430	20,634	60,514	167,578	121,622
Information technology	89,753	14,241	12,974	116,968	87,947
Occupancy	157,712	12,038	96,596	266,346	245,690
Auto, conferences and travel	11,696	7,027	2,001	20,724	14,954
Interest	-	3,848	-	3,848	68,255
Insurance	67,525	-	-	67,525	59,134
Professional fees - legal	-	1,980	-	1,980	3,503
Professional fees - accounting	-	37,157	-	37,157	39,775
Professional fees - other	24,625	840	55,353	80,818	153,245
Bank fees	25,358	702	5,240	31,300	27,402
Printing and postage	4,339	386	11,172	15,897	15,900
Other expenses	2,918	363	158	3,439	3,553
In-kind expenses	34,091	-	8,122	42,213	37,244
Depreciation	200,267	37,305	-	237,572	234,806
Total Other Operating Expenses	705,517	136,914	264,345	1,106,776	1,129,741
Total expenses before amounts netted With Special events	1,838,835	442,968	569,662	2,851,465	2,555,115
Less expenses included with revenues on statement of activities Special events	-	-	(48,459)	(48,459)	(32,802)
Total Expenses	$ 1,838,835	$ 442,968	$ 521,203	$ 2,803,006	$ 2,522,313

The accompanying notes are an integral part of this financial statement

GIRLS INC. OF GREATER SANTA BARBARA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 162,421	$ 337,811
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	237,572	234,806
Unrealized (gain)/loss on investments	926,076	(234,834)
Realized (gain) loss on sale of investments	(1,305,347)	(58,077)
Changes in		
Accounts receivable	(5,199)	(5,970)
Contributions, bequests and grants receivable	18,297	(40,776)
Prepaid expenses and other assets	(113)	(5,522)
Accounts payable and accrued expenses	14,849	2,855
Net Cash From Operating Activities	48,556	230,293
Cash Flows from Investing Activities		
Proceeds from the sale of property held for investment	-	-
Proceeds from the sale of securities	5,232,297	2,556,979
Purchase of securities	(5,380,961)	(1,034,807)
Purchase of fixed assets	-	(86,891)
Net Cash From Investing Activities	(148,664)	1,435,281
Cash Flows from Financing Activities		
Principal payments on loans payable	(3,843)	(1,716,819)
Net Cash From Financing Activities	(3,843)	(1,716,819)
Net Change in Cash	(103,951)	(51,245)
Cash and Cash Equivalents, Beginning of Year	627,134	678,379
Cash and Cash Equivalents, End of Year	$ 523,183	$ 627,134
Supplemental Cash Flow Information		
Amount paid for interest	$ 3,848	$ 68,255
In-kind contributions	$ 42,213	$ 37,244

The accompanying notes are an integral part of this financial statement

GIRLS INC. OF GREATER SANTA BARBARA
NOTES TO FINANCIAL STATEMENTS

Note 1 – ORGANIZATION

Girls Inc. of Greater Santa Barbara (the Organization) is a non-profit organization providing summer and after school care, education, and recreation for girls in the Santa Barbara community. The Organization's mission is to inspire all girls to be strong, smart, and bold, through research-based, innovative and educational programs and activities.

In 2022, the organization sold its center on the East Side of Santa Barbara as it sought to modernize its approach to serving girls and liberate the exorbitant costs to maintain the aging facility. The sale of the facility provides the organization with the resources and the flexibility to adopt a new strategic approach to service delivery and make more significant investments in our programming for girls.

TK-6 programs: We envision a world where every girl feels valued, safe, and prepared to achieve her dreams. We focus on the whole girl from age 5-18: her health, education and development as a leader. Our continuum of academic, social, and community enrichment programs is offered to all girls in our community, regardless of their family's ability to pay. In the early school years, girls begin to develop confidence as learners and build the foundation for academic success. They also form attitudes about themselves in relation to school and their peers. We offer a subsidized program fee for 100% of our participants and provide additional scholarships and financial aid to ensure that every girl can participate and thrive.

Teen programs: As teens, girls develop their self-confidence and begin to define their own morals and values. They gain more independence, navigate increased social pressures, and hone their sense of what they want to contribute as they move into their future. Girls Inc. Supports teen girls' success by providing a wide range of healthy living and life-skills development activities, including providing them with exposure to the many career options available to them. Academic enrichment assists teens in graduating high-school on time and promotes post-secondary education. We offer a subsidized program fee for 100% of our participants and provide additional scholarships and financial aid to ensure that every girl can participate and thrive.

Gymnastics: At Girls Inc., our gymnastics program stands as a beacon of empowerment and athleticism for young girls aged 5-18. Gymnastics offers a unique avenue for girls to discover their physical capabilities, build confidence, and foster leadership and teamwork. We focus on enhancing motor skills, agility, and flexibility while instilling values of discipline and perseverance. Gymnastics teaches girls to push past their limits, embrace challenges, and celebrate their achievements. Beyond the gym mat, these lessons resonate in every aspect of their lives, shaping them into strong, capable young women ready to face the world with grace and grit.

For the year ended December 31, 2025, the Organization provided approximately $62,000 in financial assistance in the form of discounted program-related fees.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Description of Net Assets

The Organization reports information regarding its financial position and activities in two classes of net assets - with donor restrictions and without donor restrictions - based on the existence or absence of donor-imposed restrictions.

Without Donor Restrictions

Net assets without donor restrictions represent net assets that are not subject to donor-imposed time or use restrictions. Net assets without donor restrictions include board designated funds.

With Donor Restrictions

Net assets with donor restrictions represent net assets that are subject to donor-imposed time or use restrictions. Net assets with donor restrictions generally include contributions and bequests receivable and planned gifts. Earnings on net assets with donor restrictions are reported as an increase in net assets with donor restrictions. Earnings on donor-restricted endowment funds that have not yet been appropriated are also classified 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 change in value of the underlying assets is recorded as an unrealized gain or loss in net assets with donor restrictions on the Statement of Activities. Net assets with donor restrictions also consist of those donor-restricted endowments held by the Organization as defined under the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, amounts in checking, savings, money market accounts, and certificates of deposit with maturities of 90 days or less.

Investments

Investments in marketable securities with readily determinable fair values and all investments in marketable debt securities are valued at their fair values in the statement

of financial position. Realized and unrealized gains and losses are included in the change in net assets. Donated securities are recorded at their estimated value at the date of receipt.

Property and Equipment

Property and Equipment are recorded at cost or, if donated, at fair market value at the time of the donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. It is management's policy to capitalize certain purchases and donations with a useful life greater than one year and a value greater than $1,000.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

Buildings and improvements	10-30 years
Furniture	10-12 years
Equipment	5 years
Vehicles	5 years

Depreciation expense for the year ended December 31, 2025, totaled $237,572.

Leases

The Organization has previously adopted FASB ASC 842, Leases. For the year ended December 31, 2025, the Organization had no material non-cancellable finance leases.

Further, the Organization elected a short-term lease exemption policy, permitting the Organization to not apply the recognition requirements of this standard to short-term leases (i.e., leases with terms of 12 months or less) and an accounting policy to account for lease and non-lease components as a single component for certain classes of underlying assets.

Donated Goods and Services

Donated goods and services are recognized as in-kind contributions in accordance with generally accepted accounting principles for not-for-profit organization, if the goods and services (a) create or enhance non-financial assets or (b) the services require specialized skills and are performed by people with those skills and would otherwise be purchased by the Organization. Numerous individuals and organizations have donated time to the Organization to further its programs and objectives. These contributions, despite their considerable value to the mission of the Organization, are not reflected in the financial statements because they do not meet the recognition criteria prescribed by generally

accepted accounting principles. The amount of in-kind contributions of goods and services received for the year ended December 31, 2025, totaled $42,213.

Contributions and Grants

All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions until the restriction is satisfied. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as contributions, bequests and grants without donor restrictions.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly, according to their expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Tax Exempt Status

The Organization is a California nonprofit public benefit corporation, which is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and State of California Revenue and Taxation Code Section 23701d; therefore, no provision for income taxes is required. 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).

The Organization evaluates uncertain tax positions, whereby the effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of December 31, 2025, the Organization had no uncertain tax positions requiring accrual.

The Organization files tax returns in California and U.S. federal jurisdictions. The Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before 2022 and 2021, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Those estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. It is at least reasonably possible that the significant estimates could change in the coming year.

Significant estimates used in the preparation of these financial statements include: the allocation of certain expenses by function, the collectability of accounts, pledges, and bequests receivable, and the depreciable lives of property and equipment.

Note 3 – RECEIVABLES

Receivables consist of program fees receivable and unconditional pledges and bequests receivable. Program fees receivable are stated at the amount management expects to collect and are evaluated for expected credit losses for financial assets measured at amortized cost. Unconditional pledges and bequests receivable that are expected to be collected within one year are reported at net realizable value, which management considers to be a reasonable estimate of fair value.

At December 31, 2025, management considers all program fees receivable, unconditional pledges receivable, and bequests receivable to be fully collectible. Accordingly, no allowance for credit losses, doubtful accounts, pledges receivable, or bequests receivable has been recorded. Management monitors the collectibility of receivables based on historical collection experience, current conditions, and donor-specific or customer-specific information, as applicable.

All accounts receivable, contributions receivable, and bequests receivable outstanding at December 31, 2025 are expected to be collected during the year ending December 31, 2026.

Note 4 – INVESTMENTS

Investments are presented in the financial statements at fair market value, which is derived from quoted market prices at year end. At December 31, 2025, investments consist of the following:

Investment Type	**Cost**	**Market Value**	**Unrealized Gain (Loss)**
Cash held for investment	$ 642,722	$ 642,722	$ -
Equities	2,192,061	2,264,650	72,589
Fixed income	1,193,055	1,212,366	19,311
Government bonds	4,432,228	4,442,672	10,444
Mutual fund - real estate	60,692	59,663	(1,029)
Total	$ 8,520,758	$ 8,622,073	$ 101,315

The following summarizes the net change in unrealized gain on investments:

	Cost	Market Value	Unrealized Gain (Loss)
Balance at end of the year	$8,520,758	$ 8,622,073	$ 101,315
Balance at beginning of the year	7,066,747	8,094,138	1,027,391
Net change in unrealized gains			$ (926,076)

The following summarizes the investment return included as restricted and unrestricted revenue in the statement of activities for the year ended December 31, 2025:

Investment and dividend income	$ 319,444
Realized gain on value of securities	1,305,347
Change in unrealized gain (losses) on value of securities	(926,076)
Investment fees	(37,551)
Net Investment Income	$ 661,164

Note 5 – FAIR VALUE MEASUREMENT

The Organization has established a framework for measuring fair value and expanding disclosures about fair value measurements. Accounting principles define fair value 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. A fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; discounted cash flows; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity;

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying Statement of Financial Position, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then Level 2 fair values are estimated by using pricing models quoted prices of securities with similar characteristics or discounted cash flows. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant

to the fair value measurement.

Fair market valuation of Level 3 investments is determined by management in good faith with the assistance of an independent third-party appraiser using methods they consider appropriate. Because of the inherent uncertainty of valuations, however, those estimated values may differ from the values that would have been used had a ready market existed, and the differences could be material. At December 31, 2025 the Organization did not hold any level 3 securities.

The following is a description of the general classification of investments pursuant to the valuation hierarchy:

Cash held for investment – Cash held for investment purposes includes money market funds and cash equivalent assets and is valued at face value.

Equities and real estate – include fixed income mutual funds as well as a variety of publicly traded stocks from various industries invested for both growth and value. They are valued utilizing quoted market prices available in active markets for identical investments at the reporting date.

Fixed income – provide a hedge against deflation, provide a stable return, and minimize the overall volatility of the account. They are valued utilizing quoted market prices available in active markets for identical investments at the reporting date.

The following table presents assets and liabilities recognized in the accompanying Statement of Financial Position measured at fair value on a recurring basis and the level in which the fair value measurements fall at December 31, 2025:

	Level 1
Cash held for investment	$ 642,722
Equities	2,264,650
Fixed income	1,212,366
Government bonds	4,442,672
Mutual fund – real estate	59,663
Total	$ 8,622,073

Note 6 – ENDOWMENT FUNDS

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the California-adopted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring a long-term investment strategy designed to preserve the value of the original gift, as of the gift date. As a result of this interpretation, the Organization has classified, at the explicit direction of the donor, as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in

accordance with the direction of the donor at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard for prudence prescribed by UPMIFA.

In accordance with California UPMIFA, the Organization considers the following factors in making a determination to appropriate or invest donor restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(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
(7) The investment policies of the Organization

Endowment Investment and Spending Policies

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the long-term purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity for donor-specified periods and purposes. The endowment assets are invested in a manner that is intended to produce results that provide a reasonable balance between the quest for growth and the need to protect principal. The investment policy calls for a diversified portfolio utilizing various asset classes with a goal of reducing portfolio volatility and risk.

The Organization's endowment is invested in a diversified portfolio of cash, equities, and fixed income. Long-term investment strategies are used to manage risk and ensure that charitable dollars grow and are available forever.

The Organization uses a total investment return methodology for determining its spending rate each year. The portfolio's total returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The spending rate is determined annually and will not exceed 5% of the fund's 3-year rolling average. The spending rate is reviewed annually in light of changing market assumptions, investment returns and the rate of inflation. Accordingly, over the long-term, the Organization expects the current spending rate to allow its endowment assets to grow.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift amount or the level that the donor or California UPMIFA requires the Organization to retain as a fund of perpetual duration (underwater endowment funds). The Organization has interpreted California UPMIFA to permit spending from underwater endowment funds in accordance with the prudent measures required under the law. In accordance with its policy, the Board considers the

factors listed above before appropriating from any underwater endowment fund. As of December 31, 2025, none of the Organization's donor-restricted endowment funds had a fair value below its original gift amount or required level, and accordingly there were no deficiencies.

Endowment net assets with donor restrictions totaled $3,660,615, consisting of total original gift endowment contributions and accumulated earnings. Accumulated earnings totaled $1,419,642 as of December 31, 2025.

	Without Donor Restriction	With Donor Restriction
Endowment net assets, beginning of year	$ -	$ 3,312,065
Investment earnings	-	487,957
Contributions	-	-
Draw	-	(139,407)
Endowment net assets, end of year	$ -	$ 3,660,615

Note 7 – NOTE PAYABLE

On June 12, 2020, the Organization received an Economic Injury Disaster Loan (EIDL) from U.S. Small Business Administration in the amount of $150,000. The loan is secured by tangible and intangible personal property and calls for monthly payments of principal and interest of $641. Interest is calculated at a fixed rate of 2.75% per annum. Monthly payments are deferred for twelve months from date of the note and matures thirty years from the date of the note. The outstanding balance of the note including accrued interest as of December 31, 2025, is $137,871.

The Organization is committed to the following maturity of notes payable:

2026	$ 3,951
2027	4,061
2028	4,164
2029	4,290
2030	4,409
Thereafter	116,996
	$ 137,871

Note 8 – NET ASSETS

Net Assets Without Donor Restrictions

As of December 31, 2025, net assets without donor restrictions consist of the following:

Designated by the Board – operating reserves	$ 4,961,458
Without board designation	191,052
Property and equipment, net of depreciation	5,940,648
Total Net Assets Without Donor Restrictions	$ 11,093,158

Net Assets With Donor Restrictions

As of December 31, 2025, net assets with donor restrictions consist of the following:

Temporary in Nature

Purpose Restrictions:	
Scholarships	$ 14,434
Gym equipment	10,545
Summer lunch time club	44,792
Teen Advocacy Council	18,606
Total Purpose Restrictions	$ 88,377
Time Restricted for Future Period:	
Contributions receivable	$ 12,050
Bequests receivable	366,551
Total Time Restrictions	$ 378,601
Endowments:	
Therese Ann Scholarship	$ 123,035
Jackson Scholarship	127,364
Goleta Valley Center Library	1,425,776
General Endowment	1,984,440
Total Endowment	$ 3,660,615

Note 9 – CONCENTRATIONS AND RISK

Credit Risk

The Organization maintains cash balances at a single financial institution. The standard Federal Deposit Insurance Corporation (FDIC) insurance coverage amount is $250,000 per depositor and per bank institution for interest-bearing accounts. At times throughout the year the Organization maintains balances in excess of the FDIC insured amount. As of December 31, 2025, the Organization's uninsured cash balance was approximately $275,000.

Market Risk

The Organization holds its investments in a diversified portfolio. Nevertheless, these investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the

financial statements.

Concentrations of Revenue

The Organization's donor base is largely drawn from Santa Barbara County.

Note 10 – RECLASSIFICATION

Certain amounts from December 31, 2024 financial statements have been reclassified to conform with the December 31, 2025 financial statement presentation.

Note 11 – RETIREMENT PLANS

The Organization provides an optional 403(b) retirement plan to full-time employees who are at least twenty-one years of age and have completed one year and 1,000 hours of service with the organization. Employer contributions are made at a rate of 3.0% of the employee's contribution through five years of service and increases with additional years of service. Participants are fully vested in the employer contribution upon three years of service. For the year ended December 31, 2025, the Organization made contributions to the plan totaling $11,920.

Note 12 – LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of this disclosure, financial assets available for general expenditures within one year consist of financial assets that are not subject to donor or other contractual restrictions that make them unavailable for general operating purposes within one year of the statement of financial position date. General expenditures include operating expenses, program service expenses, supporting service expenses, and other obligations expected to be paid in the normal course of operations.

The following table reflects the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2025:

Cash and cash equivalents	$ 523,183
Accounts receivable	11,169
Bequest receivable	366,551
Contributions receivable	12,050
	912,953
Less donor restrictions for purpose	(88,377)
	$ 824,576

In addition to the financial assets listed above, the board of directors has designated $4,961,458 as an operating reserve. Although the operating reserve is subject to internal board designation, the board may make these funds available, if necessary, to meet general expenditures. Accordingly, the operating reserve has not been reflected as a

reduction of financial assets available within one year in the schedule above.

Note 13 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 22, 2026, the date which the financial statements were available to be issued.