

**BOYS & GIRLS CLUB OF BURBANK  
AND GREATER EAST VALLEY, INC.**

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**Financial Statements and  
Independent Auditors' Report**

**June 30, 2013 and 2012**

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## Independent Auditors' Report

To the Board of Directors of  
Boys & Girls Club of Burbank and Greater East Valley, Inc.

We have audited the accompanying financial statements of Boys & Girls Club of Burbank and Greater East Valley, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Club of Burbank and Greater East Valley, Inc. as of June 30, 2013 and 2012, 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.

JLK Rosenberger, LLP

Glendale, California

October 30, 2013

# BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

## Statements of Financial Position As of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 39,573	\$ 29,221
Investments	171,308	81,384
Promises to give	50,069	64,625
Inventories	49,000	-
Prepaid expenses and other assets	1,425	18,693
Total current assets	<u>311,375</u>	<u>193,923</u>
Property and equipment, net	173,035	171,202
Beneficial interest in endowment fund	100,337	91,887
Total assets	<u><u>\$ 584,747</u></u>	<u><u>\$ 457,012</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 116,670	\$ 85,178
Compensated absences	12,635	17,899
Deferred support	22,676	20,011
Total current liabilities	<u>151,981</u>	<u>123,088</u>
Net assets:		
Unrestricted	426,624	332,022
Temporarily restricted	6,142	1,902
Total net assets	<u>432,766</u>	<u>333,924</u>
Total liabilities and net assets	<u><u>\$ 584,747</u></u>	<u><u>\$ 457,012</u></u>

*The accompanying notes are an integral part of these financial statements.*

**BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.**

Statements of Activities  
For the Years Ended June 30, 2013 and 2012

	2013	2012
	<u>                    </u>	<u>                    </u>
Changes in unrestricted net assets:		
Unrestricted support:		
Contributions	\$ 334,215	\$ 387,202
Program services	1,024,592	877,029
Special events revenue, net	178,821	182,165
Fundraising events	125,880	133,566
Donated materials, services and facilities	841,484	264,613
Net appreciation in beneficial interest in endowment fund	8,450	6,361
Investment return	4,799	1,924
Total unrestricted support	<u>2,518,241</u>	<u>1,852,860</u>
Net assets released from restrictions:		
Satisfaction of program restrictions	202,361	139,296
Total unrestricted support and other support	<u>2,720,602</u>	<u>1,992,156</u>
Expenses:		
Program services	2,119,710	1,460,776
Support services:		
Management and general	225,417	180,937
Fundraising	280,873	119,240
Total unrestricted expenses	<u>2,626,000</u>	<u>1,760,953</u>
Increase in unrestricted net assets	<u>94,602</u>	<u>231,203</u>
Changes in temporarily restricted net assets:		
Contributions	206,601	107,811
Net assets released from restrictions	<u>(202,361)</u>	<u>(139,296)</u>
Increase (decrease) in temporarily restricted net assets	<u>4,240</u>	<u>(31,485)</u>
Increase in net assets	98,842	199,718
Net assets, beginning of year	<u>333,924</u>	<u>134,206</u>
Net assets, end of year	<u><u>\$ 432,766</u></u>	<u><u>\$ 333,924</u></u>

*The accompanying notes are an integral part of these financial statements.*

**BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.**

Statements of Functional Expenses  
For the Years Ended June 30, 2013 and 2012

	2013			
	Program Services	Management	Fund Raising	Total
Personnel expenses:				
Salaries	\$ 1,071,654	\$ 127,602	\$ 82,372	\$ 1,281,628
Payroll taxes and employee benefits	175,661	20,916	13,502	210,079
Total personnel expenses	<u>1,247,315</u>	<u>148,518</u>	<u>95,874</u>	<u>1,491,707</u>
Operating expenses:				
Facilities rent	371,944	10,593	6,838	389,375
Facilities operating	33,331	3,969	2,562	39,862
Materials	279,634	-	152,844	432,478
Membership and dues	9,754	920	2,621	13,295
Insurance	48,102	5,336	3,445	56,883
Professional services	8,207	8,207	8,207	24,621
Vehicle expense	14,864	-	-	14,864
Maintenance and repairs	-	-	-	-
Postage and printing	1,507	1,507	-	3,014
Telephone	6,842	815	526	8,183
Office supplies	-	39,401	769	40,170
Workshops and training	16,229	1,932	1,247	19,408
Other	39,526	1,560	4,224	45,310
Depreciation	42,455	2,659	1,716	46,830
Total expenses	<u>\$ 2,119,710</u>	<u>\$ 225,417</u>	<u>\$ 280,873</u>	<u>\$ 2,626,000</u>

*The accompanying notes are an integral part of these financial statements.*

**BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.**

Statements of Functional Expenses (Continued)  
For the Years Ended June 30, 2013 and 2012

	2012			Total
	Program Services	Management	Fund Raising	
Personnel expenses:				
Salaries	\$855,970	\$116,667	\$89,673	\$ 1,062,310
Payroll taxes and employee benefits	146,014	19,901	15,297	181,212
Total personnel expenses	<u>1,001,984</u>	<u>136,568</u>	<u>104,970</u>	<u>1,243,522</u>
Operating expenses:				
Facilities rent	61,136	7,573	4,990	73,699
Facilities operating	28,518	3,532	2,328	34,378
Materials	250,670	-	-	250,670
Insurance	24,883	5,462	-	30,345
Professional services	-	9,205	-	9,205
Vehicle expense	11,755	-	-	11,755
Maintenance and repairs	2,939	-	-	2,939
Postage and printing	-	893	2,083	2,976
Telephone	-	6,879	-	6,879
Office supplies	-	3,437	-	3,437
Workshops and training	10,236	1,268	836	12,340
Other	33,857	4,194	2,764	40,815
Depreciation	34,798	1,926	1,269	37,993
Total expenses	<u>\$ 1,460,776</u>	<u>\$ 180,937</u>	<u>\$ 119,240</u>	<u>\$ 1,760,953</u>

*The accompanying notes are an integral part of these financial statements.*



**BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.**

Statements of Cash Flows  
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 98,842	\$199,718
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(4,799)	(1,924)
Change in beneficial interest in endowment fund	(7,748)	(6,361)
Depreciation and amortization	46,830	37,994
Donations received, inventories	(49,000)	-
Donations received, property and equipment	(21,000)	(5,000)
Donations received, marketable securities	(10,526)	(6,500)
Change in assets - (increase) decrease:		
Promises to give	14,556	(36,960)
Prepaid expenses and other assets	17,268	2,339
Changes in liabilities - increase (decrease):		
Accounts payable	31,492	(53,579)
Compensated absences	(5,264)	(7,028)
Deferred support	2,665	6,676
Net cash provided by operating activities	<u>113,316</u>	<u>129,375</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(27,663)	(48,001)
Purchase of investments	(74,599)	(57,599)
Purchase of beneficial interest in endowmnet fund	(702)	(85,526)
Net cash used in investing activities	<u>(102,964)</u>	<u>(191,126)</u>
Net increase (decrease) in cash	10,352	(61,751)
Cash at beginning of year	<u>29,221</u>	<u>90,972</u>
Cash at end of year	<u>\$ 39,573</u>	<u>\$ 29,221</u>
<b>Non-cash investing activities:</b>		
Donations received, inventories	\$ 49,000	\$ -
Donations received, property and equipment	21,000	5,000
Donations received, marketable securities	10,526	6,500
Total non-cash investing activities	<u>\$ 80,526</u>	<u>\$ 11,500</u>

*The accompanying notes are an integral part of these financial statements.*

# BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

## Notes to Financial Statements June 30, 2013 and 2012

### 1. Summary of Significant Accounting Policies

#### *Nature of Activities*

The Boys & Girls Club of Burbank and Greater East Valley, Inc. (the “Organization”), headquartered in Burbank, CA, is a member of Boys & Girls Clubs of America (“BGCA”). The primary mission of BGCA is to assure and enhance the quality of life for youth as participating members of a richly diverse urban society. With special concern for the disadvantaged, Boys & Girls Clubs help youths realize their potential for growth and development. The Organization has concentrated on Burbank, California and surrounding communities. The Organization provides services, based on principles and behavioral guidance, which will achieve the health, social, educational, vocational, character and leadership development of their membership. The Organization is supported primarily through program services, donor contributions, and fundraising events.

#### *Basis of Presentation*

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets as of June 30, 2013.

#### *Use of Estimates*

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

#### *Cash and Cash Equivalents*

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization had no cash equivalents at June 30, 2013 and 2012.

#### *Promises to Give*

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible unconditional promises receivable.

#### *Investments*

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Realized gains or losses are recognized based on the difference between the investment’s fair value and the sales proceeds less the unrealized gain or loss previously recognized.

#### *Inventory*

Inventory consists of donated goods (i.e. toys, dvds, etc.). Donated inventory is recorded as contributions with the offset to inventory in the period received at fair value. At least annually, physical inventory is taken and fair values substantiated and adjustment made, if any.

# BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements (Continued)  
June 30, 2013 and 2012

## 1. Summary of Significant Accounting Policies (Continued)

### *Property and Equipment*

Property and equipment are carried at cost, if purchased, and estimated fair market value if contributed, less accumulated depreciation and amortization. Property and equipment are depreciated on a straight-line basis over their estimated service lives, which range from three to seven years.

### *Deferred Support*

The Organization recognizes support revenues with respect to fund raising events in the period the event occurs. Accordingly, payments received in advance are deferred until the time of the event.

### *Contributions*

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

### *Donated Assets and Services*

Donations of non-cash assets are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

### *Expense Allocation*

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### *Income Tax Status*

The Organization is a public charity that has obtained an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California state income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision has been made for federal or state income taxes. The Organization is subject, however, to Federal and California income taxes on unrelated business income as stipulated in Internal Revenue Code Section 511 and Regulation Section 1.511. For the fiscal year ended June 30, 2013, the Organization had no unrelated business income.

# BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

## Notes to Financial Statements (Continued) June 30, 2013 and 2012

### 1. Summary of Significant Accounting Policies (Continued)

#### *Income Tax Status (Continued)*

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. Management reviewed the status of all tax positions annually to determine if any tax position should affect the Organization's financial statements and concluded that, as of June 30, 2013 and 2012, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or that would require disclosure in the financial statements.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

### 2. Investments

Investments consist of the following as of June 30:

	2013	2012
Mutual funds	\$ 141,413	\$ 66,105
Equity securities	29,895	15,279
Total	<u>\$ 171,308</u>	<u>\$ 81,384</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30:

	2013	2012
Interest and dividends	\$ 636	\$ 164
Unrealized gain	4,163	1,760
Total	<u>\$ 4,799</u>	<u>\$ 1,924</u>

### 3. Fair Value Measurements

The fair value of a financial instrument is the amount 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 (the exit price). Accordingly, when market observable data is not readily available, the Organization's own assumptions are set to reflect those that market participants would be presumed to use in pricing the asset or liability at the measurement date. Financial assets and financial liabilities recorded in the balance sheets at fair value are categorized based on the reliability of inputs to the valuation techniques as follows:

**Level 1** - Financial assets and financial liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Company can access.

**Level 2** - Financial assets and financial liabilities whose values are based on (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in non-active markets, or (c) valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

**BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.**

Notes to Financial Statements (Continued)  
June 30, 2013 and 2012

**3. Fair Value Measurements (Continued)**

*Level 3* - Financial assets and financial liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect the Organization's estimates of the assumptions that market participants would use in valuing the financial assets and financial liabilities.

The following table sets forth by level within fair value hierarchy the Organization's invested assets as of June 30:

2013	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 141,413	\$ -	\$ -	\$ 141,413
Equity securities	29,895	-	-	29,895
Total	<u>\$ 171,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,308</u>
2012	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 66,105	\$ -	\$ -	\$ 66,105
Equity securities	15,279	-	-	15,279
Total	<u>\$ 81,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,384</u>

**4. Promises to Give**

Unconditional promises to give are due in one year and consist of the following as of June 30:

	<u>2013</u>	<u>2012</u>
Unrestricted	\$ 25,069	\$ 59,375
Temporarily restricted	25,000	5,250
Total	<u>\$ 50,069</u>	<u>\$ 64,625</u>

# BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

## Notes to Financial Statements (Continued) June 30, 2013 and 2012

### 5. Property and Equipment

Property and equipment consist of the following as of June 30:

	2013	2012
Leasehold improvements	\$ 294,611	\$ 294,611
Sports equipment	47,066	32,066
Computer equipment	111,172	111,172
Office equipment	50,712	42,212
Vehicles	96,045	70,882
Total property and equipment	599,606	550,943
Less accumulated depreciation and amortization	(426,571)	(379,741)
Property and equipment, net	<u>\$ 173,035</u>	<u>\$ 171,202</u>

Depreciation and amortization for the years ended June 30, 2013 and 2012 were \$46,830 and \$37,993, respectively.

### 6. Beneficial Interest in Fund Endowment

On September 19, 2011, the Organization received an unrestricted contribution from a member of the local community. The board of the Organization sought to preserve the assets of the contribution and irrevocably gifted \$85,526 to the Community Foundation of the Verdugos (the "Foundation") which created the Boys & Girls Club of Burbank and Greater East Valley Endowment (the "Fund"). The purpose of the Fund is "to provide financial support to the Boys & Girls Club of Burbank and Greater East Valley or for its specific programs or projects."

Variance power has been granted to the Foundation protecting the Fund from obsolescence. If, in the sole judgment of the Board of Directors of the Foundation, the purpose for which the Fund was created ever becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation, the Foundation's Board of Directors shall modify any restriction or condition on the use or distribution of the income and principal of the Fund.

Of the Fund's annual balance, 4.5% may be distributed to the Organization, subject to the Foundation's discretion. The Fund is invested by the Foundation in a pool with similar funds. The Organization is credited its share of earnings from the pool and charged fees for administration of the fund. Net earnings of the Fund are included in investment return in the accompanying statement of activities.

The Foundation has employed a total return investment policy with an objective of preserving the endowment capital, protecting the purchasing power of the funds, and providing cash flows to assist in the funding of the Foundation's grants and expenses. The Foundation invests funds in a diversified portfolio of cash, bonds, common stocks, preferred stocks, mutual funds, exchange traded funds, and where appropriate, alternative investments. The investments are further diversified within asset classes such as by economic sectors, industry, quality, and capitalization.

The Fund had \$8,021 and \$3,877 available for use by the Organization at June 30, 2013. Management elected not to draw available funds at during the years ended June 30, 2013 and 2012.

**BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.**

Notes to Financial Statements (Continued)  
June 30, 2013 and 2012

**6. Beneficial Interest in Fund Endowment (Continued)**

The Fund activities for the years ended June 30, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 91,887	\$ -
Contributions to the Fund	702	85,526
Earnings:		
Interest and dividends	2,885	2,442
Realized gains	2,726	1,222
Unrealized gains	3,972	4,021
Expenses charged to the Fund:		
Administrative fees	(1,222)	(851)
Other	(613)	(473)
Net appreciation of the Fund	<u>8,450</u>	<u>6,361</u>
Balance, end of year	<u>\$ 100,337</u>	<u>\$ 91,887</u>

**7. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes as of June 30:

	<u>2013</u>	<u>2012</u>
Capital improvements	\$ -	\$ -
Technology and learning center programs	-	-
Middle school enrichment programs	-	-
Deaf and Hard-of-Hearing	6,142	-
Arts and crafts	-	1,902
Total temporarily restricted assets	<u>\$ 6,412</u>	<u>\$ 1,902</u>

**8. Donated Materials, Services and Facilities**

The value of donated materials, services, and facilities included as contributions in the statements of activities and the corresponding expenses for the years ended June 30, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Facility rental	\$ 389,375	\$ 73,699
Donated furniture and equipment and leasehold improvements	5,000	5,000
Materials and supplies	441,109	179,914
Services	6,000	6,000
Total donated materials, services and facilities	<u>\$ 841,484</u>	<u>\$ 264,613</u>

# BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

## Notes to Financial Statements (Continued) June 30, 2013 and 2012

### 8. Donated Materials, Services and Facilities (Continued)

The Organization rents its facilities for \$1 a year on a month-to-month basis. In the current year, the Organization rented out two facilities, Cresenta Valley Park Club and Our Lady of the Holy Rosary for the estimated value of \$99,792 and \$6,118, respectively. In addition, in the current year, the Burbank Unified School District (BUSD) contributed in-kind rent of \$177,070 for ten of their school sites.

Market value was estimated at \$389,375 and \$73,699 for the years ended June 30, 2013 and 2012, respectively.

The Organization received donated materials, including Baby Einstein toys and DVDs, from the Walt Disney Company with an estimated value of \$242,074 and \$20,000, respectively. In addition, the entity received donated materials from Weber Shandwick and City Dental for an estimated value of \$37,388.

### 9. Defined Contribution Plans

BGCA offers to the clubs different retirement plan options. The Organization elected to be part of the BGCA 401(a) money purchase pension plan (the "401(a)") covering all employees who meet the eligibility requirements of the plan in the fiscal year end 2012. During the fiscal year end June 30, 2012, the Organization's contribution to the plan was 7% of the eligible employees' compensation. The Organization discontinued the availability of the 401(a) plan at December 31, 2012.

During the fiscal year end 2013, the Organization elected to be part of the BGCA's 401(k) Safe Harbor Master Plan (the "401(k)") whereby employees and employer can make contributions to the plan up to the maximum allowed by law. As such 3% safe harbor contribution of the eligible employees' compensation commenced on July 1, 2012. Management and the Board of Directors agreed to an additional 4% contribution for the period from July to December 2012.

Management had announced to the employees that the 401(k) was to have been implemented at January 1, 2013. Management and the Board of Directors elected to continue a 7% contribution to the 401(a) through the remainder of the 2012 calendar year. The 401(a) and 401(k) ran together at a combined 14% commitment of approximately \$26,000 from July to December 2012. Starting January to June 30, 2013, the company was solely offering and contributing to the 401(k) plan. The defined contribution plan expense for the years ended June 30, 2013 and 2012 were \$37,732 and \$29,689, respectively.

### 10. Subsequent Events

Management has evaluated subsequent events through October 30, 2013, which is the date the financial statements were available to be issued. Subsequent to year end the Organization entered into a lease agreement with the BUSD for fiscal 2014 totaling \$88,535. By December 31, 2013 the Organization and BUSD will develop a new lease for the 2014-2015 fiscal year otherwise the BUSD lease terminates on July 31, 2014.

Except as disclosed above, no other events have occurred subsequent to June 30, 2013 requiring recording or disclosure in these financial statements.