

McGinty, Knudtson & Associates, LLP

Certified Public Accountants

Independent Auditor's Report

To the Board of Directors of
Catalina Island Chamber of Commerce and Visitors Bureau, Inc.

Opinion

We have audited the accompanying financial statements of Catalina Island Chamber of Commerce and Visitors Bureau, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expense 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 Catalina Island Chamber of Commerce and Visitors Bureau, Inc. as of June 30, 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 Catalina Island Chamber of Commerce and Visitors Bureau, Inc. 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 Catalina Island Chamber of Commerce and Visitors Bureau, Inc.'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 judgement 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 Catalina Island Chamber of Commerce and Visitors Bureau, Inc.'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 Catalina Island Chamber of Commerce and Visitors Bureau, Inc.'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 findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Catalina Island Chamber of Commerce and Visitors Bureau, Inc.'s 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McGinty Knudtson & Associates, LLP

McGinty, Knudtson & Associates, LLP
Huntington Beach, CA
October 29, 2025

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.
Statement of Financial Position
June 30, 2025 and 2024

	<u>Assets</u>	
	<u>6/30/2025</u>	<u>6/30/2024</u>
Current Assets		
Cash and cash equivalents	\$ 327,200	\$ 253,200
Investments	150,700	126,000
Accounts receivable	82,200	196,400
Prepaid expenses	<u>27,300</u>	<u>43,200</u>
Total current assets	587,400	618,800
Fixed Assets		
Property and equipment	135,300	134,600
Less: accumulated depreciation	<u>(37,300)</u>	<u>(34,300)</u>
Total fixed assets	<u>98,000</u>	<u>100,300</u>
Other Assets		
Intangible assets	102,800	102,800
Less: accumulated amortization	<u>(59,400)</u>	<u>(38,500)</u>
Total other assets	<u>43,400</u>	<u>64,300</u>
Total Assets	<u><u>\$ 728,800</u></u>	<u><u>\$ 783,400</u></u>
 <u>Liabilities & Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 24,800	\$ 29,500
Accrued wages	61,900	60,300
Gift certificates payable	97,800	89,100
Deferred income	18,600	15,900
Current portion of long term liabilities	<u>25,800</u>	<u>24,300</u>
Total current liabilities	228,900	219,100
Long Term Liabilities		
Lease liability	25,400	47,300
SBA Economic Injury Disaster Loan	<u>136,200</u>	<u>140,100</u>
Total long term liabilities	<u>161,600</u>	<u>187,400</u>
Net Assets		
Without donor restrictions	338,300	376,900
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	338,300	376,900
Total Liabilities & Net Assets	<u><u>\$ 728,800</u></u>	<u><u>\$ 783,400</u></u>

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

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.

Statement of Activities

For the Years Ended June 30, 2025 and 2024 (summarized)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>6/30/2025 Totals</u>	<u>6/30/2024 Totals</u>
Support and Revenue				
Public source revenue - Transient Occupancy Tax	\$ 1,729,000		\$ 1,729,000	\$ 1,726,300
Public source revenue - Rent Waiver	22,500		22,500	22,500
Membership dues	102,400		102,400	99,200
Advertising and marketing income	302,500		302,500	285,500
Programs and special events	214,500		214,500	240,900
Other income	6,500		6,500	5,100
	<hr/>		<hr/>	<hr/>
Total Support and Revenue	2,377,400	\$ -	2,377,400	2,379,500
Expenses				
Program Services				
Marketing & public relations	1,481,000		1,481,000	1,632,100
Visitors services	201,500		201,500	224,400
Programs to promote & enhance	-		-	241,600
Other activities	291,100		291,100	109,300
Satisfaction of donor restrictions	-		-	-
Expiration of donor restrictions	-		-	-
	<hr/>		<hr/>	<hr/>
Total Program Services	1,973,600	-	1,973,600	2,207,400
Supporting Services				
General & administrative	442,400	-	442,400	445,700
	<hr/>		<hr/>	<hr/>
Total Supporting Services	442,400	-	442,400	445,700
	<hr/>		<hr/>	<hr/>
Total Expenses	2,416,000	-	2,416,000	2,653,100
Change in Net Assets	(38,600)	-	(38,600)	(273,600)
Net Assets at Beginning of Year	376,900	-	376,900	650,500
	<hr/>		<hr/>	<hr/>
Net Assets at End of Year	<u>\$ 338,300</u>	<u>\$ -</u>	<u>\$ 338,300</u>	<u>\$ 376,900</u>

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

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2025 and 2024

	6/30/2025	6/30/2024
Cash Flows from Operating Activities		
Reconciliation of net income to net cash provided by operating activities:		
Net income (loss)	\$ (38,600)	\$ (273,600)
Amortization expense	20,800	20,800
Depreciation expense	4,800	3,900
Loss on asset disposal	700	900
Net realized and unrealized gains/losses on investments	(3,300)	(2,100)
Changes in assets and liabilities		
Accounts receivable	114,200	246,400
Prepaid expenses	15,900	94,200
Intangible assets	-	-
Accounts payable	(4,700)	(88,300)
Accrued wages	1,600	(2,000)
Gift certificates payable	8,700	(6,700)
Deferred income	2,700	(47,400)
Lease liability	(21,900)	(19,400)
Net cash provided by operations	100,900	(73,300)
Cash Flows from Investing Activities		
Purchase of investments	(126,000)	(91,000)
Sale of investments	103,600	88,600
Net cash provided by investing	(22,400)	(2,400)
Cash Flows from Financing Activities		
Payments on SBA EIDL	(3,800)	(3,700)
Net cash provided by financing	(3,800)	(3,700)
Net Cash Increase (Decrease)	74,700	(79,400)
Cash at Beginning of Year	\$ 253,200	\$ 332,600
Cash at End of Year	\$ 327,900	\$ 253,200
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest (net of amount capitalized)	\$ 3,900	\$ 4,000

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

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.
Statement of Functional Expenses

For the Years Ended June 30, 2025 and 2024 (summarized)

	Marketing & Public Relations	Visitors Services	Programs to Promote & Enhance	Other Activities	Total Program Services	General & Administrative	6/30/2025 Total Expenses	6/30/2024 Total Expenses
Salaries	\$ 228,800	\$ 94,800			\$ 323,600	\$ 254,700	\$ 578,300	\$ 572,300
Payroll taxes	20,200	8,600			28,800	22,100	50,900	45,200
Employee benefits	9,300	1,300			10,600	10,600	21,200	20,200
Advertising & marketing	651,400	-	5,900		657,300	15,000	672,300	860,500
Amortization	9,400				9,400	11,400	20,800	20,800
Bad debts	-				-	15,100	15,300	12,800
Bank & credit card processing fees	200				200	4,800	4,800	3,900
Depreciation	-				-	19,300	36,000	29,300
Dues & subscriptions	16,300	100		300	16,700	6,100	7,400	6,100
Equipment rentals	-	1,300			1,300	35,500	69,900	65,100
Insurance	25,000	9,400			34,400	1,700	5,800	6,500
Interest	2,900	1,200			4,100	100	100	1,500
Licenses & fees	-				-	10,500	10,500	11,400
Meetings & events	5,200		5,300		10,500			
Miscellaneous	-				-	5,000	8,700	600
Office expenses	500	3,200			3,700			13,300
Outside services	-				-			-
Postage & freight	34,900	700		2,400	38,000	500	38,500	49,000
Printing & reproduction	136,600	400		6,700	143,700		143,700	146,500
Professional development	-	100			200		200	1,100
Professional fees	202,300			2,500	204,800	24,700	229,500	240,800
Rent	11,000	24,300			35,300		35,300	35,400
Repairs & maintenance	1,200	6,000			7,200	500	7,700	6,200
Special events	5,300	1,600		261,400	268,300	4,000	272,300	329,700
Telecommunication	3,800	2,600			6,400	2,800	9,200	6,900
Travel	45,500	900		6,500	52,900	2,700	55,600	42,900
Utilities	-	1,100			1,100	2,700	3,800	3,600
Website expenses	71,200	43,900			115,100	3,100	118,200	121,500
Total expenses	\$ 1,481,000	\$ 201,500	\$ -	\$ 291,100	\$ 1,973,600	\$ 442,400	\$ 2,416,000	\$ 2,653,100

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

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.
Notes to Financial Statements
June 30, 2025

Note A – Nature of Organization

The Catalina Island Chamber of Commerce and Visitors Bureau, Inc. (CICCVB), a non-profit 501(c)(6) entity incorporated under the laws of the State of California. CICCVB was organized for the purpose of advancing the general welfare and prosperity of the Santa Catalina Island Area so that its citizens and all areas of its business community shall prosper. All necessary means of promotion shall be provided and particular attention and emphasis shall be given to the economic, civic, commercial, cultural, industrial and educational interest of the area. CICCVB is supported primarily by the Transient Occupancy Tax paid by over-night visitors to the island.

The mission of CICCVB is to attract visitors and to advocate for commerce on Catalina Island. The five core functions of CICCVB are to promote the community, build a strong local economy, represent the interests of business at various levels of government, provide networking opportunities, and engage in political action in the interests of business.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of CICCVB have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Under ASC 958, CICCVB is required to report information regarding financial position and activities according to two classes of net assets:

- *Net assets without donor restrictions* are net assets not subject to donor-imposed restrictions of laws.
- *Net assets with donor restrictions* are net assets subject to donor-imposed restrictions that can be fulfilled by actions of CICCVB pursuant to those restrictions or that expire by the passage of time. Contributions by donors whose restrictions are met in the same reporting periods are recorded as without restrictions. Net assets whose use is limited by donor-imposed restrictions are recorded as net assets with restrictions and are released from restrictions when donor stipulations have been met.

Cash and Cash Equivalents

For purposes of the statement of cash flows, CICCVB considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

CICCVB has recorded in its financial statements certain financial instruments, none of which are held for trading purposes. CICCVB estimates that the fair value of all its financial instruments at June 30, 2025 and 2024, do not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by CICCVB using available market information and appropriate valuation methodologies.

Investments

Investments are stated at fair value (the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date). Investments are measured in accordance with FASB ASC 820-10, *Fair Value Measurements*, as disclosed in Note D.

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.
Notes to Financial Statements
June 30, 2025

Note B – Summary of Significant Accounting Policies (continued)

Property and Equipment

CICCVB capitalizes expenditures for furniture, fixtures, and equipment. These assets are recorded at original cost. Donated assets are recorded at the estimated fair market value on the date received. CICCVB has set the capitalization threshold for reporting property and equipment at \$2,000. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Website development	3 years
Computer equipment	5 years
Office furniture and equipment	5-10 years
Building improvements	5-10 years

When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is shown on the financial statements as other gains or losses.

Intangibles and Amortization

Leases that meet the definition of FASB ASC 842, *Leases* are included in intangible assets and lease liabilities in the statement of financial position (see Note X). Intangible lease assets and liabilities reflect the present value of the future minimum lease payments over the lease term. CICCVB does not report lease assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Donated Services and Facilities

Unpaid volunteers have made contributions of their time in conjunction with CICCVB's programs and services. The value of these contributions is not included in these financial statements, since they do not meet the recognition criteria and are not susceptible to objective measurement.

CICCVB's Visitor Center occupies space at the Avalon Green Pier rent-free on a month-to-month agreement with the City of Avalon. The landlord has estimated the approximate fair value of the annual rent to be \$22,464. The revenue and expense are reported in local government grant revenue in the statement of activities and rent expense in the statement of functional expenses, respectively. Since no consideration is exchanged for the use of the space, the donated space does not meet the definition of a lease under ASC 842.

Accounts Receivable

CICCVB carries a receivable balance primarily of City of Avalon TOT revenues and small event revenues earned in 2024/2025 fiscal year but collected subsequent to year end. The organization carries a small allowance for doubtful accounts as determined from experience.

Membership Dues

Membership dues received pertaining to all membership categories are recognized as revenue ratable over the term of the membership period. Amounts not yet earned by the end of the fiscal year are reported as deferred income. CICCVB has reviewed membership dues as part of the adoption of Topic 606 and has determined CICCVB provides service to members equally over the membership term and thus requires no change to the accounting of this revenue.

Advertising

CICCVB uses advertising to promote the island as a destination and attract visitors to the island. Advertising costs are expensed as incurred. For the year ended June 30, 2025, CICCVB incurred advertising expenses of \$672,393.

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.
Notes to Financial Statements
June 30, 2025

Note B – Summary of Significant Accounting Policies (continued)

Compensated Absences

CICCVB records compensated absences for accrued vacation for all full-time employees. The expense is recorded when earned.

Net Assets

CICCVB is required to report information regarding its financial position and activities according to two classes of net assets: unrestricted and donor restricted. CICCVB did not have donor restricted net assets for the year ended June 30, 2025. All Transient Occupancy Tax revenue from the City of Avalon must be spent solely and exclusively for the promotion of the City. The funds shall be expended as follows: to provide information services to the public, to prepare and distribute advertising and publicity materials, to promote the City for business and trade conventions, and to perform other such activities as may be required by the City. During 2024/2025, TOT expenditures exceeded revenues by \$244,600 and therefore were covered by internally generated funds and reserves.

Use of Estimates

Preparation of financial statements in accordance with U.S. generally accepted accounting principles necessitates the use of estimates of certain amounts. CICCVB uses estimates to determine the useful lives of fixed assets. Estimates are also used to ascertain that all accounts receivable are collectible. It is reasonably possible these estimates may change in the near term.

CICCVB carries an estimated net receivable of \$79,023 for TOT revenues to be received from the City for the fiscal year 2024/2025. This estimated “true-up” payment is calculated by the City of Avalon based on estimated TOT revenues for the fiscal year 2024/2025.

Federal and State Income Taxes

CICCVB is a California corporation granted exemption from federal income taxes under Section 501(C) (6) of the Internal Revenue Code, and from California franchise taxes under the General Nonprofit Corporation Law of the State of California. As such, CICCVB is not taxed on income derived from its exempt functions. However, it is subject to federal and California income taxes on unrelated trade or business income taxes, which is generated from CICCVB’s activities not related to their stated exempt purposes.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Expenses identified to a specific program or support are charged directly to that program or support. Costs common to multiple functions have been allocated among those functions based on a reasonable allocation consistently applied. Salaries, payroll taxes and benefits are allocated based on the department personnel are assigned to; rent is allocated based on space usage; travel, insurance, telephone, utilities, and website are allocated based on employee/department usage.

Comparative Financial 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CICCVB’s financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Date of Management’s Review

CICCVB has evaluated subsequent events through October 29, 2025, which is the date the financial statements were available to be issued.

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.
Notes to Financial Statements
June 30, 2025

Note C – Cash and Cash Equivalents

As of June 30, 2025, cash and cash equivalents consisted of the following:

	<u>2025</u>
Checking	\$ 213,940
Money market	112,376
Petty cash	850
Total	<u>\$ 327,166</u>

Note D – Investments and Fair Value Measurement

CICCVB follows ASC 958-205, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Defined as observable inputs such as quoted prices for identical instruments in active markets; Level 2: Defined as inputs other than quoted prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

Level 3: Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant value drivers are observable.

As of June 30, 2025, investments consist of the following, which are considered Level 1 in the fair value hierarchy:

Investments, at fair value:	<u>Fair Value</u>	<u>Quoted Market Prices (Level 1)</u>
Demand deposit account	\$ 62,869	\$ 62,869
Fixed income funds	62,555	62,555
Bond funds	25,236	25,236
Total	<u>\$ 150,659</u>	<u>\$ 150,659</u>

Interest income for the year ended June 30, 2025 was \$4,936.

Note E – Property and Equipment

Property and equipment consist of the following as of June 30, 2025:

	<u>2025</u>
Furniture and equipment	10,360
Leasehold improvements	122,485
Computer hardware	2,445
	<u>\$ 135,290</u>
Less: accumulated depreciation	(37,310)
	<u>\$ 97,980</u>

Depreciation expense for the year ended June 30, 2025 was \$4,757.

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.
Notes to Financial Statements
 June 30, 2025

Note F – Grants

Effective March 15, 1994, CICCVB entered into an agreement with the City of Avalon to receive an amount equal to 22% of the Transient Occupancy Tax (TOT) collected by the city. Per the agreement, the funds are to be used to carry out promotional activities, on behalf of the City per City of Avalon Municipal Code.

TOT revenue totaled \$1,729,023 with receivables of \$79,023. During the fiscal year 2024/2025, the City estimated TOT revenues for the fiscal year and issued 12 installments. Once accounts were reconciled for the year, the City determined CICCVB was due an additional \$79,023. TOT grant revenue represents 73% of operating revenues and 95% of receivables.

Note G – Lease Commitments

CICCVB leases management and marketing offices under a lease amendment commencing September 1, 2022. The lease now expires August 31, 2027 with a minimum lease payment of \$1,604 per month with an incremental cost of living increase each year. At June 30, 2025, the outstanding balance is \$44,418.

The future principal and interest lease payments as of June 30, 2025, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	19,764	1,169	20,933
2027	21,062	499	21,561
2028	3,592	15	3,607
	<u>\$ 44,418</u>	<u>\$ 1,683</u>	<u>\$ 46,101</u>

CICCVB entered into an operating lease agreement for a copier beginning November 2021 for 60 months. The lease required fixed monthly payments of \$176 plus sales tax at the applicable state, county, and city sales tax rates. On June 30, 2025, the outstanding balance is \$2,813.

The future principal and interest lease payments as of June 30, 2025, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	2,078	22	2,100
2027	735	2	737
	<u>\$ 2,813</u>	<u>\$ 24</u>	<u>\$ 2,837</u>

Note H – Long Term Debt

On June 9, 2020, CICCVB successfully secured a \$150,000 Small Business Association loan under the Economic Injury Disaster Loan program. Proceeds are to be used as working capital to alleviate injury caused by the disaster, in this case the COVID-19 pandemic. The loan is secured by deposit accounts, receivables, and equipment. It is payable in monthly installments including principal and interest of \$641 beginning 12 months from the date of the promissory note. The note bears interest at 2.75% and the balance of principal and interest will be payable 30 years from the date of the promissory note. Repayment of the EIDL began December 2022.

Catalina Island Chamber of Commerce and Visitors Bureau, Inc.
Notes to Financial Statements
June 30, 2025

Note H – Long Term Debt (continued)

Future payments on the loan payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	3,887	3,805	7,692
2027	3,995	3,697	7,692
2028	4,106	3,586	7,692
2029	4,221	3,471	7,692
2030	4,338	3,354	7,692
Thereafter	119,595	36,603	156,198
	\$ 140,142	\$ 54,516	\$ 194,658

Note I – Risk and Uncertainties

CICCVB may be subject to credit risk to its cash and cash equivalent investments, which are placed with high credit-quality financial institutions. From time to time, CICCVB may have amounts on deposit in excess of the FDIC limits. Management believes CICCVB is not exposed to any significant credit risk on cash and cash equivalents. As of June 30, 2025, account balances exceed FDIC insurance limits by \$139,029.

CICCVB’s operations are solely on Catalina Island, California and are subject to fluctuations in the local economy.

Note J – Employee Pension Plan

CICCVB has a SIMPLE employee retirement plan covering qualified employees. Under the program, CICCVB contributes 3% of employee compensation. Total employer contributions to the plan were \$15,561 for the year ended June 30, 2025.

Note K – Liquid Resource Management

CICCVB regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, CICCVB considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, 2025, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 327,166
Investments not encumbered by board	150,659
Accounts receivable	82,228
Prepaid expenses	27,273
Financial assets available for expenditures over next 12-months	\$ 587,326

In addition to the financial assets available to meet general expenditures over the next 12-months noted above, CICCVB has prepaid expenses and receivables that will likely be converted to cash or available for general expenditures during the normal course of next year’s operations.