

Safe Parking LA
**Financial Statements
and Independent Auditor's Report**
June 30, 2025

Safe Parking LA

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Independent Auditors' Report

To the Board of Directors
Safe Parking LA

Opinion

We have audited the financial statements of Safe Parking LA, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Safe Parking LA, 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 ("GAAS"). 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 Safe Parking LA 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 Safe Parking LA's ability to continue as a going concern for 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Safe Parking LA'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 Safe Parking LA'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 Safe Parking LA's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 4, 2025. 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



Los Angeles, California
February 27, 2026

Safe Parking LA

**Statement of Financial Position
June 30, 2025
With Summarized Totals at June 30, 2024**

<u>Assets</u>		
	2025	2024
Current assets		
Cash and cash equivalents	\$ 1,227,653	\$ 642,607
Contributions and grants receivable	798,250	720,906
Prepaid expenses and other	8,979	46,585
Security deposit	10,000	-
Total current assets	2,044,882	1,410,098
Contributions and grants receivable - net of current portion	-	100,000
Property and equipment, net	16,467	5,845
Total assets	\$ 2,061,349	\$ 1,515,943
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 183,334	\$ 165,394
Note payable - current portion	156,250	375,000
Fiscal sponsor liability - current portion	615,894	520,786
Total current liabilities	955,478	1,061,180
Note payable - net of current portion	-	125,000
Fiscal sponsor liability - net of current portion	-	173,596
Total liabilities	955,478	1,359,776
Net assets		
Without donor restrictions	1,071,078	129,829
With donor restrictions	34,793	26,338
Total net assets	1,105,871	156,167
Total liabilities and net assets	\$ 2,061,349	\$ 1,515,943

See Notes to Financial Statements.

Safe Parking LA

Statement of Activities Year Ended June 30, 2025 With Summarized Totals for the Year Ended June 30, 2024

	2025			2024
	Without donor restrictions	With donor restrictions	Total	Total
Support and revenue				
Individual contributions	\$ 165,732	\$ -	\$ 165,732	\$ 489,181
Corporate contributions and grants	43,250	-	43,250	3,923
Foundation grants	1,548,787	39,000	1,587,787	535,500
Government grants and contracts	2,635,937	16,985	2,652,922	2,123,614
Interest and other income	20,911	-	20,911	7,218
Other income - fiscal sponsor	78,488	-	78,488	-
Net assets released from restrictions	47,530	(47,530)	-	-
Total support and revenue	4,540,635	8,455	4,549,090	3,159,436
Expenses				
Program services	2,567,810	-	2,567,810	2,399,044
Management and general	654,285	-	654,285	419,878
Fundraising	377,291	-	377,291	184,347
Total expenses	3,599,386	-	3,599,386	3,003,269
Change in net assets	941,249	8,455	949,704	156,167
Net assets, beginning of year	129,829	26,338	156,167	-
Net assets, end of year	\$ 1,071,078	\$ 34,793	\$ 1,105,871	\$ 156,167

See Notes to Financial Statements

Safe Parking LA

Statement of Functional Expenses Year Ended June 30, 2025 With Summarized Totals for the Year Ended June 30, 2024

	2025				2024
	Program expenses	Management and general	Fundraising	Total	Total
Salaries	\$ 1,027,249	\$ 231,967	\$ 253,323	\$ 1,512,539	\$ 826,754
Employee benefits	136,226	71,544	20,872	228,642	132,494
Payroll taxes	82,421	18,010	19,179	119,610	72,750
Retirement	15,965	1,306	3,066	20,337	6,206
Salaries and related expenses	1,261,861	322,827	296,440	1,881,128	1,038,204
Professional and contract services	922,944	119,301	27,094	1,069,339	938,030
Client services	281,930	432	192	282,554	139,656
Insurance, office supplies and software	47,196	137,829	37,676	222,701	119,883
Facilities	17,188	58,493	235	75,916	30,192
Materials and program supplies	22,273	841	869	23,983	20,376
Travel	14,418	2,652	5,120	22,190	18,316
Marketing	-	6,650	9,665	16,315	4,032
Depreciation	-	4,315	-	4,315	110
Interest	-	945	-	945	88
Fiscal sponsor	-	-	-	-	694,382
	<u>\$ 2,567,810</u>	<u>\$ 654,285</u>	<u>\$ 377,291</u>	<u>\$ 3,599,386</u>	<u>\$ 3,003,269</u>

See Notes to Financial Statements

Safe Parking LA

Statement of Cash Flows Year Ended June 30, 2025 With Summarized Totals for the Year Ended June 30, 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 949,704	\$ 156,167
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	4,315	110
Change in operating assets and liabilities		
Contributions and grants receivable	22,656	(820,906)
Prepaid expenses and other	37,606	(46,585)
Security deposit	(10,000)	-
Accounts payable and accrued expenses	17,940	165,394
Fiscal sponsor liability	(78,488)	694,382
Net cash provided by operating activities	943,733	148,562
Cash flows from investing activities		
Purchase of property and equipment	(14,937)	(5,955)
Net cash used in investing activities	(14,937)	(5,955)
Cash flows from financing activities		
Proceeds from borrowings on note payable	-	500,000
Payments of note payable	(343,750)	-
Net cash provided by (used in) financing activities	(343,750)	500,000
Net increase in cash and cash equivalents	585,046	642,607
Cash and cash equivalents, beginning	642,607	-
Cash and cash equivalents, end	\$ 1,227,653	\$ 642,607
Supplementary information		
Cash paid for interest	\$ 945	\$ 88

See Notes to Financial Statements.

Safe Parking LA

Notes to Financial Statements June 30, 2025

Note 1 - Organization

Safe Parking LA is a nonprofit organization formed in 2021. Prior to its incorporation, the program operated beginning in 2018 as a project of a fiscal sponsor. Safe Parking LA is dedicated to addressing homelessness in Los Angeles by providing safe, overnight parking and supportive services for individuals and families living in their vehicles. Founded on the belief that everyone deserves a safe place to rest, Safe Parking LA partners with local governments, community organizations, and private entities to offer secure parking locations and essential resources, including case management, access to housing programs, and health and social services. Through compassionate and evidence-based solutions, Safe Parking LA works to reduce homelessness and support individuals on their journey to stable, permanent housing.

Note 2 - Summary of significant accounting policies

Basis of presentation

The financial statements of Safe Parking LA have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Financial statement presentation

Safe Parking LA is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions, which are described as follows:

Net assets without donor restrictions - Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets may be designated for specific purposes by action of the Board.

Net assets with donor restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. Safe Parking LA considers all highly-liquid investments with a maturity at date of purchase of three months or less to be cash equivalents.

Contributions and grants receivable

Contributions and grants receivables are stated at unpaid balances, less an allowance for uncollectable accounts. Contributions and grants receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The allowance is based on experience and other circumstances, which may affect the ability of donors to meet their obligations. Contributions and grants receivable are considered impaired if full principal payments are not received in accordance with the contractual terms. It is Safe Parking LA's policy to charge off uncollectible receivables when management

Safe Parking LA

Notes to Financial Statements June 30, 2025

determines the receivable will not be collected. At June 30, 2025, Safe Parking LA believes all receivable balances are fully collectible.

Property and equipment

Safe Parking LA records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of three years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Safe Parking LA reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2025.

Revenue recognition

Grants and contributions received are recorded as support with donor restrictions or support without donor restrictions depending on the existence or nature of any donor restrictions. Grants and contributions for which donors have imposed restrictions, which limit the use of the donated assets, are reported as restricted support if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Grants and contributions of assets which donors have stipulated must be maintained in perpetuity, with only the income earned thereon available for current use, are classified as net assets with donor restrictions. Grants and contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions that are met within the same reporting period, are reported as support without donor restrictions.

Government contract arrangements are evaluated and determined whether they are nonreciprocal, meaning the granting entity has not received a direct benefit of commensurate value in exchange for the resources provided. Instead, revenue is recognized like a conditional contribution, when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when qualifying expenditures are incurred and all other significant conditions of the grant are met. For the year ended June 30, 2025, Safe Parking LA did not have any government grant arrangements that were reciprocal.

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, shall be recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. At June 30, 2025, Safe Parking LA had approximately \$50,000 of undiscounted conditional contributions not recognized in the accompanying statements of activities because the condition(s) on which they depend has not yet been met.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts

Safe Parking LA

Notes to Financial Statements June 30, 2025

of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services based on estimates of employees' time incurred and on usage of resources.

Income taxes

Safe Parking LA is tax-exempt under Internal Revenue Code Section 501 (c)(3) and is required to operate in conformity with the Internal Revenue Code. To maintain this qualification Safe Parking LA has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

Safe Parking LA has no unrecognized tax benefits at June 30, 2025. Safe Parking LA's federal income tax returns for fiscal years 2024, 2023 and 2022 remain open. Safe Parking LA's state income tax returns for fiscal years 2024, 2023, 2022 and 2021 remain open. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. Safe Parking LA does not believe that the results from any examination of these open years would have a material adverse effect on the organization.

Management has analyzed the tax positions taken by Safe Parking LA and has determined that as of June 30, 2025, there were no material uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Comparative totals

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 Safe Parking LA's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent events

Safe Parking LA evaluated the impact of subsequent events through February 27, 2026, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and availability

Safe Parking LA regularly monitors liquidity required to meet its operating needs and other contractual commitments. Safe Parking LA has various sources of liquidity at its disposal, including cash and cash equivalents and receivables to meet operating needs and commitments over the next 12 months.

Safe Parking LA

Notes to Financial Statements June 30, 2025

At June 30, 2025 Safe Parking LA has the following financial assets and liquidity resources available over the next 12 months:

Cash and cash equivalents	\$ 1,227,653
Contributions and grants receivable	<u>798,250</u>
	<u>\$ 2,025,903</u>

Note 4 - Concentrations

Financial instruments which potentially subject Safe Parking LA to concentrations of credit risk consist primarily of cash and cash equivalents and contributions and grants receivable. Safe Parking LA maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

Safe Parking LA's receivables consist primarily of contractual billings with local agencies and are unsecured. Such receivables are generally due within 30 days. Safe Parking LA has not experienced any losses on these accounts.

Government contracts revenue from two agencies and foundation grants revenue from one donor totaled approximately 73% of total revenue for the year ended June 30, 2025. As of June 30, 2025, four funders represented approximately 98% of total contributions and grants receivable.

Note 5 - Contributions and grants receivable

Contributions and grants receivable consist of the following as of June 30, 2025:

Receivable in one year or less	<u>\$ 798,250</u>
	<u>\$ 798,250</u>

At June 30, 2025, Safe Parking LA has not provided for a discount on contributions and grants receivable as all amounts are current.

Note 6 - Property and equipment

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

Equipment	\$ 20,892
Less accumulated depreciation	<u>(4,425)</u>
	<u>\$ 16,467</u>

Safe Parking LA

**Notes to Financial Statements
June 30, 2025**

Note 7 - Net assets with donor restrictions

At June 30, 2025, Safe Parking LA has \$34,793 of net assets with donor restrictions which are programmatic restricted for mission-related projects.

Note 8 - Note payable

In September 2023, Safe Parking LA entered into a secured promissory note with Nonprofit Finance Fund for \$500,000. The note carries an interest rate of 0% per annum and is payable in equal monthly payments beginning July 1, 2024 and maturing in October 2025. At June 30, 2025, the balance outstanding was \$156,250.

Maturities of the note payable are as follows:

Fiscal year 2026	<u>\$ 156,250</u>
	<u><u>\$ 156,250</u></u>

Note 9 - Fiscal sponsor liability

Prior to October 1, 2023, Safe Parking LA utilized a fiscal sponsor for start-up and operating services. At June 30, 2024, Safe Parking LA had a liability to the fiscal sponsor of \$694,382. Subsequent to June 30, 2024, the fiscal sponsor reduced the balance in the amount of \$78,488, which was recognized as other income in the statement of activities for the year ended June 30, 2025. At June 30, 2025, Safe Parking LA has recorded a fiscal sponsor liability of \$615,894. The amount remains contested between the parties and is subject to ongoing resolution. Based on the original agreement, the liability is classified as current.



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