



Financial Statements  
June 30, 2021 and 2020

# P.F. Bresee Foundation

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## Independent Auditor's Report

Board of Directors  
P.F. Bresee Foundation  
Los Angeles, California

### Report on the Financial Statements

We have audited the accompanying financial statements of P.F. Bresee Foundation (the Foundation) (a California nonprofit public benefit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the 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.

### Auditor's 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the Foundation'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 Foundation'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 the Foundation as of June 30, 2021, 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.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

### *Additional Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenue by Division and Schedule of Expenses by Division are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2021, on our consideration of P.F. Bresee Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering P.F. Bresee Foundation's internal control over financial reporting and compliance.



Rancho Cucamonga, California  
November 3, 2021

P.F. Bresee Foundation  
Statements of Financial Position  
June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,333,690	\$ 1,440,684
Accounts receivable	498,129	358,727
Prepaid expenses	23,191	27,950
Total current assets	1,855,010	1,827,361
Noncurrent Assets		
Property and equipment, net	1,784,193	1,812,156
Total assets	\$ 3,639,203	\$ 3,639,517
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts payable	\$ 307,140	\$ 224,865
Payment Protection Program (PPP) Loan	-	409,300
Notes payable, current portion	-	25,021
Total current liabilities	307,140	659,186
Long-Term Liabilities		
Notes payable	-	179,303
Total liabilities	307,140	838,489
Net Assets		
Without donor restrictions	2,910,125	2,447,010
With donor restrictions	421,938	354,018
Total net assets	3,332,063	2,801,028
Total liabilities and net assets	\$ 3,639,203	\$ 3,639,517

P.F. Bresee Foundation  
Statements of Activities  
Year Ended June 30, 2021 and 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Individual support	\$ 251,104	\$ 17,638	\$ 268,742
Contributions	501,800	1,054,722	1,556,522
Government grants	1,777,666	-	1,777,666
PPP loan forgiveness	409,300	-	409,300
Special event - Dinner Gala	-	-	-
In-kind donations	141,415	-	141,415
Other income	1,263	-	1,263
Assets released from restrictions	1,004,440	(1,004,440)	-
<b>Total revenues</b>	<b>4,086,988</b>	<b>67,920</b>	<b>4,154,908</b>
<b>Expenses</b>			
Administrative	284,407	-	284,407
Programming	3,113,086	-	3,113,086
Fundraising	217,338	-	217,338
<b>Total expenses</b>	<b>3,614,831</b>	<b>-</b>	<b>3,614,831</b>
<b>Other Income and (Losses)</b>			
Interest	-	-	-
Loss on disposal of assets	(9,042)	-	(9,042)
<b>Total other income and (losses)</b>	<b>(9,042)</b>	<b>-</b>	<b>(9,042)</b>
<b>Change in Net Assets</b>	<b>463,115</b>	<b>67,920</b>	<b>531,035</b>
<b>Net Assets, Beginning of Year</b>	<b>2,447,010</b>	<b>354,018</b>	<b>2,801,028</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,910,125</b>	<b>\$ 421,938</b>	<b>\$ 3,332,063</b>

P.F. Bresee Foundation  
Statements of Activities  
Year Ended June 30, 2021 and 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Individual support	\$ 174,793	\$ 14,541	\$ 189,334
Contributions	716,700	758,003	1,474,703
Government grants	1,437,215	-	1,437,215
PPP loan forgiveness	-	-	-
Special event - Dinner Gala	172,691	50,000	222,691
In-kind donations	17,095	-	17,095
Other income	30,502	-	30,502
Assets released from restrictions	951,241	(951,241)	-
Total revenues	<u>3,500,237</u>	<u>(128,697)</u>	<u>3,371,540</u>
<b>Expenses</b>			
Administrative	320,131	-	320,131
Programming	2,765,820	-	2,765,820
Fundraising	323,522	-	323,522
Total expenses	<u>3,409,473</u>	<u>-</u>	<u>3,409,473</u>
<b>Other Income and (Losses)</b>			
Interest	3,984	-	3,984
Loss on disposal of assets	-	-	-
Total other income and (losses)	<u>3,984</u>	<u>-</u>	<u>3,984</u>
Change in Net Assets	94,748	(128,697)	(33,949)
Net Assets, Beginning of Year	<u>2,352,262</u>	<u>482,715</u>	<u>2,834,977</u>
Net Assets, End of Year	<u>\$ 2,447,010</u>	<u>\$ 354,018</u>	<u>\$ 2,801,028</u>

P.F. Bresee Foundation  
Statements of Cash Flows  
Year Ended June 30, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 531,035	\$ (33,949)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	130,907	126,890
Loss on disposal of assets	9,042	-
PPP loan forgiveness	(409,300)	-
Change in assets and liabilities		
Prepaid expenses	4,759	(9,195)
Accounts receivable	(139,402)	223,384
Accounts payable	82,275	(35,048)
Refundable advance - PPP	-	409,300
Net Cash Flows from Operating Activities	209,316	681,382
Investing Activities		
Purchase of property and equipment	(111,986)	(56,416)
Financing Activities		
Principal payment on payment on notes payable	(204,324)	(23,989)
Net Change in Cash and Cash Equivalents	(106,994)	600,977
Cash and Cash Equivalents, Beginning of Year	1,440,684	839,707
Cash and Cash Equivalents, End of Year	\$ 1,333,690	\$ 1,440,684



P.F. Bresee Foundation  
 Statements of Functional Expenses  
 Year Ended June 30, 2021 and 2020

	2021			
	Administrative	Programming	Fundraising	Total
Payroll	\$ 167,259	\$ 1,885,888	\$ 178,136	\$ 2,231,283
Professional fees	36,241	143,621	32,443	212,305
Interest expense	1,750	6,016	-	7,766
Insurance	3,286	29,572	-	32,858
Office supplies	10,183	12,545	14	22,742
Other supplies and emergency funds	4,768	281,549	4,325	290,642
Telephone and internet	1,658	14,829	11	16,498
Postage and printing	3,341	10,468	396	14,205
Equipment and maintenance	1,481	8,901	-	10,382
Transportation and meals	1,716	8,795	548	11,059
Staff development and trainings	16,659	16,114	1,264	34,037
Special event - Dinner Gala	-	-	-	-
Scholarship	-	84,660	-	84,660
Support services and activities	5	221,972	201	222,178
Facilities	16,686	135,208	-	151,894
In-kind donations	-	141,415	-	141,415
Depreciation	19,374	111,533	-	130,907
	<u>\$ 284,407</u>	<u>\$ 3,113,086</u>	<u>\$ 217,338</u>	<u>\$ 3,614,831</u>
Total expenses	<u>\$ 284,407</u>	<u>\$ 3,113,086</u>	<u>\$ 217,338</u>	<u>\$ 3,614,831</u>

P.F. Bresee Foundation  
 Statements of Functional Expenses  
 Year Ended June 30, 2021 and 2020

	2020			
	Administrative	Programming	Fundraising	Total
Payroll	\$ 186,378	\$ 1,790,820	\$ 224,725	\$ 2,201,923
Professional fees	53,460	149,386	27,668	230,514
Interest expense	2,905	6,796	-	9,701
Insurance	2,904	26,138	-	29,042
Office supplies	10,438	14,416	733	25,587
Other supplies and emergency funds	6,168	311,879	3,588	321,635
Telephone and internet	2,077	13,413	-	15,490
Postage and printing	1,835	11,947	3,731	17,513
Equipment and maintenance	1,396	11,460	-	12,856
Transportation and meals	3,136	18,685	852	22,673
Staff development and trainings	10,923	12,779	2,825	26,527
Special event - Dinner Gala	-	147	42,305	42,452
Scholarship	-	79,490	-	79,490
Support services and activities	2,630	72,250	-	74,880
Facilities	17,101	138,104	-	155,205
In-kind donations	-	-	17,095	17,095
Depreciation	18,780	108,110	-	126,890
	<u>\$ 320,131</u>	<u>\$ 2,765,820</u>	<u>\$ 323,522</u>	<u>\$ 3,409,473</u>
Total expenses	<u>\$ 320,131</u>	<u>\$ 2,765,820</u>	<u>\$ 323,522</u>	<u>\$ 3,409,473</u>

**Note 1 - Organization and Summary of Significant Accounting Policies**

The significant accounting policies followed by P.F. Bresee Foundation (the Foundation) are described below to enhance the usefulness of the financial statements to the reader.

**Organization and Nature of Activities**

The Foundation is a California nonprofit public benefit corporation chartered on November 29, 1982. The Foundation is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes and not for the private gain of any individual. The Foundation’s mission is to battle poverty by empowering youth and families in Los Angeles with the skills, resources, and relationships necessary to thrive. The Foundation envisions a diverse community of Angelenos working together to break down barriers and lead fulfilling lives. The Foundation’s work is focused on three key program areas: Youth Programs, Family Services, and Gang Reduction and Youth Development. The Youth Programs team provides comprehensive after- school programs that equip underserved youth to pursue academic excellence, achieve their full potential, and learn the value of service. Programs include Academics, Career-readiness, STEM, Arts, Athletics and Service. The Family Services team provides intensive wrap-around support for the families of the youth the Foundation serves and social and economic stability for the community at large. Programs include emergency food and rental assistance, parenting classes, academic case management, and referrals to a variety of social services. The Gang Reduction team prevents the most at-risk 10-15 year olds in the Rampart/Pico Union area from joining a gang through the Gang Reduction and Youth Development Model of Practice. Programs are tailored to the risk factors of individual students, including intensive case management, family therapy and high- quality youth development activities. All three programs connect young people and families with caring adults, serving the goal of equipping youth to overcome various community risk-factors. Administration handles accounting and personnel functions of the Foundation.

At June 30, 2021, the Board of Directors included:

<u>Name</u>	<u>Title</u>
Rich Orosco	President
Maki Villacarillo	Vice President
Heidi Feng	Treasurer
Juan Fontenla	Secretary
Chris Garcia	Member at Large
Craig Beatty	Member at Large
Eddie Bader	Member at Large
Fidel Gomez	Member at Large
Jennifer Brown	Member at Large
John Torres	Member at Large
Linda Kim	Member at Large
Mirei Claremon	Member at Large
Ramon Pack III	Member at Large
Rob Longnecker	Member at Large
Tim Martin	Member at Large

### **Financial Statement Presentation**

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50. Under ASC 958-210-50, the Foundation 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. In addition, the Foundation is required to present statements of functional expenses and cash flows. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

### **Net Asset Accounting**

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset types established according to their nature and purpose. Separate accounts are maintained for each net asset type; however, in the accompanying financial statements, net asset types that have similar characteristics have been combined into groups as follows:

*Net Assets without Donor Restrictions* - Net assets available for general use and not subject to donor restrictions. Net assets without donor restrictions represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation, as well as all property, and equipment of the Foundation.

*Net Assets with Donor Restrictions* - Net assets that are contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, 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.

### **Revenue and Revenue Recognition**

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as without donor restrictions. The Foundation records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. The Foundation's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

### **Donated Services and In-Kind Contributions**

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. A number of volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Foundation to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

### **Cash**

Cash consists of cash held in checking and money market accounts with original maturities of less than 90 days. Cash accounts maintained by the Foundation are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2021, the Foundation had \$962,388 of uninsured funds.

### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from the outstanding balance. Management provides an analysis of the probable collection of the accounts through a provision for bad debt expense and an adjustment to a valuation allowance. At June 30, 2021, management had reviewed all accounts receivable and determined all amounts were fully collectable. No allowance for doubtful accounts has been established.

### **Property and Equipment**

Capital purchases comprise of land, vehicles, buildings, equipment, and furniture. The Foundation maintains a unit capitalization threshold of \$2,000 and an estimated useful life of greater than one year. Assets are recorded at historical cost, or if donated estimated fair value on the date of donation, when purchased or constructed. The cost of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred.

The carrying values of property and equipment are reviewed 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, 2021.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the related assets, which range as follow:

	<u>Years</u>
Vehicles	5
Building and land improvements	39
Equipment	3-10
Furniture and fixtures	10

### **Income Taxes**

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and, accordingly, the Foundation's net investment income is exempt from income taxes. The Foundation has obtained a favorable tax determination letter from the IRS, and the plan sponsor believes that the Foundation, as amended, continues to qualify and to operate in accordance with applicable provisions of the IRC.

The Foundation has been classified as a publicly supported charitable organization under Section 509(a)(1) of the Internal Revenue Code and qualifies for the maximum charitable contribution deduction by donors.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The entities' Forms 990, 990-T and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to tax examination for years before 2016.

### **Allocation of Functional Expenses**

The costs of providing the various programs, fundraising, and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and operating activities benefited. Certain expenses require allocation on a reasonable basis that is consistently applied.

### New Accounting Pronouncements

The Foundation has adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08), applicable to contributions made. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. Management has adopted this standard because it assists the Foundation in evaluating whether transactions should be accounted for as contributions or exchange transactions and in determining whether a contribution is conditional. As of July 1, 2020, the Foundation has implemented the provisions of ASU 2018-08 on a modified prospective basis to agreements that were not completed as of the date of adoption or were entered after the date of adoption. Management has determined that the adoption of this standard did not have a significant impact on the Foundation's financial statements.

### Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position comprise of the following:

	2021	2020
Cash and cash equivalents	\$ 911,752	\$ 1,086,666
Accounts receivable	498,129	358,727
	\$ 1,409,881	\$ 1,445,393

### Liquidity Management

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. Foundation management monitor daily cash balances.

Foundation management has implemented cash management procedures that include the monthly reconciliation of banked cash deposits and disbursements to related receipts and disbursement records.

### Note 3 - Accounts Receivable

As of June 30, 2021 and June 30, 2020, the Foundation's account receivables balance consisted of \$498,129 and \$358,727 of grant monies, respectively.

**Note 4 - Property and Equipment**

Property and equipment activity for the Foundation for the fiscal years ended June 30, 2021 and 2020, were as follows:

	2021	2020
Land	\$ 363,614	\$ 363,614
Building and Land Improvement	2,374,908	2,333,444
Equipment	768,741	738,876
Vehicles	81,578	131,578
Total property and equipment	3,588,841	3,567,512
Accumulated depreciation	(1,804,648)	(1,755,356)
	\$ 1,784,193	\$ 1,812,156

Depreciation expense for the years ended June 30, 2021 and 2020, were \$130,907 and \$126,890, respectively.

**Note 5 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are gifts of cash restricted by the donor for a specific use or for a time in the future. As restrictions on the net assets expire due to the passage of time or satisfaction of purpose, the assets are released to assets without donor restrictions for expenditure.

Donor restricted net assets with time and/or purpose restrictions are comprised of the following:

	2021	2020
Subject to Expenditure for Specified Purpose		
Educational programs	\$ 421,938	\$ 354,018

**Note 6 - Accounts Payable**

As of June 30, 2021 and 2020, the Foundation's accounts payable balance of \$307,140 and \$224,865, respectively, consisted of salaries and benefits, credit card expenses, and vendor payables.



**Note 7 - Notes Payable**

P.F. Bresee's \$270,000 mortgage loan, originally held by Wells Fargo Bank, was refinanced with First Citizens Bank on August 4, 2017, with a maturity date of August 4, 2027. The note bore an interest at 4.10% per annum, with monthly payments of principal and interest in the amount of \$2,754 amortized over 10 years. As of June 30, 2021 and 2020, the outstanding balances were \$0 and \$204,324.

**Note 8 - Paycheck Protection Program (PPP)**

The Foundation was granted a \$409,300 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Foundation has elected to account for the funding as a conditional contribution by applying ASC 958-605, *Notfor-Profit – Revenue Recognition*. The Foundation initially recorded the loan as a refundable advance and subsequently recognized contribution revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Foundation has recognized \$409,300 as contribution revenue for the year ended June 30, 2021.

**Note 9 - Subsequent Events**

The Foundation evaluated their June 30, 2021, financial statements for subsequent events through November 3, 2021, the date the financial statements were available to be issued. The Foundation is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.



Supplementary Information  
June 30, 2021

**P.F. Bresee Foundation**

P.F. Bresee Foundation  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Housing and Urban Development			
CDBG - Entitlement Grants Cluster			
Passed through City of Los Angeles - Housing Community			
Investment Department			
Community Development Block Grants/Entitlements Grants -			
Wilshire FamilySource Center	14.218	C-136850	\$ 360,077
Community Development Block Grant	14.218	C-135707	<u>87,014</u>
Total CDBG - Entitlement Grants Cluster			<u>447,091</u>
Total U.S. Department of Housing and Urban Development			<u>447,091</u>
U.S. Department of Education			
Passed through Los Angeles Unified School District			
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	4400002785	<u>144,940</u>
Total U.S. Department of Education			<u>144,940</u>
U.S. Department of Treasury			
Passed through City of Los Angeles - Housing Community			
Investment Department			
COVID-19 Emergency Rental Assistance Program	21.023	C-138078	<u>37,129</u>
Total U.S. Department of Treasury			<u>37,129</u>
U.S. Department of Health and Human Services			
Passed through City of Los Angeles - Housing Community			
Investment Department			
Community Services Block Grant - Wilshire FamilySource Center	93.569	C-136850	355,394
Coronavirus Aid, Relief, and Economic Security	93.569	C-138215	<u>24,277</u>
Subtotal			<u>379,671</u>
Passed through Los Angeles Unified School District			
Refugee Educational Support Program - Beyond the Bell	93.576	4500617939	<u>25,000</u>
Total U.S. Department of Health and Human Services			<u>404,671</u>
Total Federal Financial Assistance			<u>\$ 1,033,831</u>

**Note 1 - Purpose of the Schedule**

**Schedule of Expenditures of Federal Awards**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Foundation under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

**Summary of Significant Accounting Policies**

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

**Indirect Cost Rate**

The Foundation has not elected to use the ten percent de minimus cost rate.



Additional Supplementary Information  
June 30, 2021

**P.F. Bresee Foundation**

P.F. Bresee Foundation  
Schedule of Revenue by Division  
Year Ended June 30, 2021

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	Administration	Family Services	Youth Programs	Gang Reduction and Youth Development	Total
Individual support	\$ 251,103	\$ 8,306	\$ 9,333	\$ -	\$ 268,742
Contributions	639,100	171,750	695,672	50,000	1,556,522
Government grants	-	1,134,794	169,950	472,922	1,777,666
PPP loan forgiveness	409,300	-	-	-	409,300
In-kind donations	-	7,540	133,875	-	141,415
Other income	1,263	-	-	-	1,263
<b>Total revenues</b>	<b>\$ 1,300,766</b>	<b>\$ 1,322,390</b>	<b>\$ 1,008,830</b>	<b>\$ 522,922</b>	<b>\$ 4,154,908</b>

P.F. Bresee Foundation  
Schedule of Expenses by Division  
Year Ended June 30, 2021

	Administration	Family Services	Youth Programs	Gang Reduction and Youth Development	Fundraising	Total
Payroll	\$ 167,259	\$ 763,098	\$ 720,050	\$ 402,740	\$ 178,136	\$ 2,231,283
Professional fees	36,241	116,601	26,266	754	32,443	212,305
Interest expense	1,750	2,005	2,005	2,006	-	7,766
Insurance	3,286	13,143	9,857	6,572	-	32,858
Office supplies	10,183	8,095	2,582	1,868	14	22,742
Other supplies and emergency funds	4,768	213,614	66,350	1,584	4,326	290,642
Telephone and internet	1,657	6,591	4,943	3,295	12	16,498
Postage and printing	3,341	4,736	4,605	1,127	396	14,205
Equipment and maintenance	1,481	1,216	2,219	5,466	-	10,382
Transportation and meals	1,716	3,855	4,642	298	548	11,059
Staff development and trainings	16,659	8,301	7,062	755	1,260	34,037
Scholarship	-	-	84,660	-	-	84,660
Support services and activities	5	161,769	29,538	30,663	203	222,178
Facilities	16,687	50,004	55,652	29,551	-	151,894
In-kind donations	-	7,540	133,875	-	-	141,415
Depreciation	19,374	27,857	57,272	26,404	-	130,907
<b>Total expenses</b>	<b>\$ 284,407</b>	<b>\$ 1,388,425</b>	<b>\$ 1,211,578</b>	<b>\$ 513,083</b>	<b>\$ 217,338</b>	<b>\$ 3,614,831</b>

**Note 1 - Purpose of the Schedules**

**Schedule of Revenue by Division**

The Schedule of Revenue by Division is presented on the full accrual basis of accounting. This information is not a required component of the financial statements, but is presented at the request of management to provide further information and analysis of the revenues of the Foundation.

**Schedule of Expenses by Division**

The Schedule of Revenue by Expenses is presented on the full accrual basis of accounting. This information is not a required component of the financial statements, but is presented at the request of management to provide further information and analysis of the expenses of the Foundation.





Independent Auditor's Reports  
June 30, 2021

**P.F. Bresee Foundation**



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
P.F. Bresee Foundation  
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of P.F. Bresee Foundation (the Foundation) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Rancho Cucamonga, California  
November 3, 2021



## **Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
P.F. Bresee Foundation  
Los Angeles, California

### **Report on Compliance for the Major Federal Program**

We have audited P.F. Bresee Foundation's (the Foundation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on P.F. Bresee Foundation's major federal program for the year ended June 30, 2021. P.F. Bresee Foundation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance of P.F. Bresee Foundation's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about P.F. Bresee Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of P.F. Bresee Foundation's compliance.

### **Opinion on the Major Federal Program**

In our opinion, P.F. Bresee Foundation's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of P.F. Bresee Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered P.F. Bresee Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the P.F. Bresee Foundation's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
November 3, 2021



Schedule of Findings and Questioned Costs  
June 30, 2021

**P.F. Bresee Foundation**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

**Identification of major programs**

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
CDBG - Entitlement Grants Cluster	14.218
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

None reported.



None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.