



Financial Statements  
June 30, 2022 and 2021

# 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 Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of P.F. Bresee Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses for the years 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 the Foundation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Foundation'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government 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 the Foundation'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 the Foundation'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.

## ***Supplementary 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, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is 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 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 as of and for the year ended June 30, 2022, are presented for the 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 audits 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 7, 2022, 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the typed name and date.

Rancho Cucamonga, California  
November 7, 2022

P.F. Bresee Foundation  
 Statements of Financial Position  
 June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,190,618	\$ 1,333,690
Accounts receivable	621,868	498,129
Prepaid expenses	34,644	23,191
Total current assets	1,847,130	1,855,010
Noncurrent Assets		
Property and equipment, net	1,727,391	1,784,193
Total assets	\$ 3,574,521	\$ 3,639,203
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts payable	\$ 303,767	\$ 307,140
Net Assets		
Without donor restrictions	2,959,042	2,910,125
With donor restrictions	311,712	421,938
Total net assets	3,270,754	3,332,063
Total liabilities and net assets	\$ 3,574,521	\$ 3,639,203

P.F. Bresee Foundation  
Statements of Activities  
Years Ended June 30, 2022 and 2021

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Individual support	\$ 285,497	\$ 11,146	\$ 296,643
Contributions	450,634	922,687	1,373,321
Government grants	2,602,524	-	2,602,524
In-kind donations	64,614	-	64,614
Miscellaneous income	1,011	-	1,011
Assets released from restrictions	1,044,059	(1,044,059)	-
<b>Total revenues</b>	<b>4,448,339</b>	<b>(110,226)</b>	<b>4,338,113</b>
<b>Expenses</b>			
Management and general	412,785	-	412,785
Program	3,710,748	-	3,710,748
Fundraising	276,483	-	276,483
<b>Total expenses</b>	<b>4,400,016</b>	<b>-</b>	<b>4,400,016</b>
<b>Other Income</b>			
Interest	594	-	594
<b>Change in Net Assets</b>	<b>48,917</b>	<b>(110,226)</b>	<b>(61,309)</b>
<b>Net Assets, Beginning of Year</b>	<b>2,910,125</b>	<b>421,938</b>	<b>3,332,063</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,959,042</b>	<b>\$ 311,712</b>	<b>\$ 3,270,754</b>

P.F. Bresee Foundation  
 Statements of Activities  
 Years Ended June 30, 2022 and 2021

	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
In-kind donations	141,415	-	141,415
Other income	1,263	-	1,263
Assets released from restrictions	1,004,440	(1,004,440)	-
Total revenues	<u>4,086,988</u>	<u>67,920</u>	<u>4,154,908</u>
<b>Expenses</b>			
Administrative	284,407	-	284,407
Programming	3,113,086	-	3,113,086
Fundraising	217,338	-	217,338
Total expenses	<u>3,614,831</u>	<u>-</u>	<u>3,614,831</u>
<b>Other Losses</b>			
Loss on disposal of assets	(9,042)	-	(9,042)
Change in Net Assets	463,115	67,920	531,035
Net Assets, Beginning of Year	<u>2,447,010</u>	<u>354,018</u>	<u>2,801,028</u>
Net Assets, End of Year	<u>\$ 2,910,125</u>	<u>\$ 421,938</u>	<u>\$ 3,332,063</u>



P.F. Bresee Foundation  
Statements of Cash Flows  
Years Ended June 30, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ (61,309)	\$ 531,035
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	126,400	130,907
Loss on disposal of assets	-	9,042
PPP loan forgiveness	-	(409,300)
Change in assets and liabilities		
Prepaid expenses	(11,453)	4,759
Accounts receivable	(123,739)	(139,402)
Accounts payable	(3,373)	82,275
	(73,474)	209,316
Net Cash Flows from Operating Activities		
Investing Activities		
Purchase of property and equipment	(69,598)	(111,986)
Financing Activities		
Principal payment on payment on notes payable	-	(204,324)
Change in Cash and Cash Equivalents	(143,072)	(106,994)
Cash and Cash Equivalents, Beginning of Year	1,333,690	1,440,684
Cash and Cash Equivalents, End of Year	\$ 1,190,618	\$ 1,333,690

P.F. Bresee Foundation  
 Statements of Functional Expenses  
 Years Ended June 30, 2022 and 2021

	2022			
	Management and General	Program	Fundraising	Total
Payroll	\$ 233,303	\$ 2,181,198	\$ 255,867	\$ 2,670,368
Professional fees	45,947	315,759	6,270	367,976
Insurance	3,382	30,434	-	33,816
Office supplies	8,736	13,121	297	22,154
Other supplies and emergency funds	1,608	212,577	3,987	218,172
Telephone and internet	10,922	14,120	-	25,042
Postage and printing	2,651	18,431	1,053	22,135
Equipment and maintenance	5,358	19,462	-	24,820
Transportation and meals	2,808	19,674	4,218	26,700
Staff development and trainings	12,370	40,114	4,791	57,275
Scholarship	-	85,585	-	85,585
Support services and activities	-	486,637	-	486,637
Facilities	17,581	150,741	-	168,322
In-kind donations	49,412	15,202	-	64,614
Depreciation	18,707	107,693	-	126,400
	<u>\$ 412,785</u>	<u>\$ 3,710,748</u>	<u>\$ 276,483</u>	<u>\$ 4,400,016</u>

P.F. Bresee Foundation  
 Statements of Functional Expenses  
 Years Ended June 30, 2022 and 2021

	2021			
	Management and General	Program	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
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>

**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, 2022, the Board of Directors included:

<u>Name</u>	<u>Title</u>
Rich Orosco	President
Maki Villacarillo	Vice President
Heidi Feng	Treasurer
Juan Fontenla	Secretary
Ani Jinian	Member at Large
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
Ljupco Fidanovski	Member at Large
Mirei Claremon	Member at Large
Ramon Pack III	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 operations and not subject to donor or certain grantor 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 donor 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. The Foundation reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

### **Revenue and Revenue Recognition**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Foundation's federal contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2022 and 2021, the Foundation did not receive any conditional promises to give.

### **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. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received (Note 7).

### **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, 2022, the Foundation had \$747,452 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, 2022, 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, 2022.

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 organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and have been determined not to be private foundations. The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the 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 2010.

### **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.

### Change in Accounting Principle

The Financial Accounting Standards Board (FASB) issued Accounting Standards (ASU) Update 2020-07, Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU seeks to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The amendments to the ASU require contributed nonfinancial assets to be presented as a separate line item in the statement of activities, separate from other forms of contributions. The standard also enhances disclosure requirements in each of the following:

- Disaggregation of the types of nonfinancial asset by category and amount,
- Description of any donor-imposed restrictions,
- Qualitative information about whether the contributions were monetized or utilized,
- If monetized, a policy about monetizing rather than utilizing the asset,
- Disclosure of the valuation techniques and inputs used to arrive at fair value measurement at initial recognition,
- Principal market (or most advantageous market) used to arrive at fair value measure.

The Organization has adopted ASU 2020-07 in the fiscal year ended June 30, 2022 as required, however, the changes do not have a significant impact on the financial statements, with the exception of increased disclosure, as the Foundation has historically presented contributed nonfinancial assets as a separate line in the statement of activities.

### 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:

	2022	2021
Cash and cash equivalents	\$ 878,906	\$ 911,752
Accounts receivable	621,868	498,129
	\$ 1,500,774	\$ 1,409,881

### 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, 2022 and June 30, 2021, the Foundation's account receivables balance consisted of \$621,868 and \$498,129 of grant monies, respectively.

**Note 4 - Property and Equipment**

Property and equipment activity for the Foundation for the fiscal years ended June 30, 2022 and 2021, were as follows:

	2022	2021
Land	363,614.00	\$ 363,614
Building and Land Improvement	2,374,908.00	2,374,908
Equipment	838,338.00	768,741
Vehicles	32,020.00	81,578
Total property and equipment	3,608,880	3,588,841
Accumulated depreciation	(1,881,489)	(1,804,648)
	\$ 1,727,391	\$ 1,784,193

Depreciation expense for the years ended June 30, 2022 and 2021, were \$126,400 and \$130,907, 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:

	2022	2021
Subject to Expenditure for Specified Purpose		
Educational programs	\$ 311,712	\$ 421,938

**Note 6 - Accounts Payable**

As of June 30, 2022 and 2021, the Foundation's accounts payable balance of \$303,767 and \$307,140, respectively, consisted of salaries and benefits, credit card expenses, and vendor payables.

**Note 7 - In-Kind Contributions**

Contributed nonfinancial assets recognized within the statement of activities included for the years ended June 30:

	2022	2021
Gift Cards	\$ 4,731	\$ 390
Back to School Kits	14,187	135,016
Clothing	45,696	6,009
Total	\$ 64,614	\$ 141,415

All gift-in-kind received during the years ended June 30, 2022 and 2021 were unrestricted.

**Note 8 - Notes Payable**

The Foundation's \$270,000 mortgage loan, originally held by Wells Fargo Bank, was refinanced with First Citizens Bank of 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 \$2,754 amortized over 10 years. As of June 30, 2022 and 2021, the outstanding balances were \$0 and \$0, respectively.

**Note 9 - Subsequent Events**

The Foundation evaluated their June 30, 2022, financial statements for subsequent events through November 7, 2022, 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, 2022

**P.F. Bresee Foundation**

P.F. Bresee Foundation  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA 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-138691	\$ 428,827
Community Development Block Grant	14.218	C-135297	93,019
Community Services Block Grant	14.218	C-135707-2	<u>261,632</u>
Total CDBG - Entitlement Grants Cluster			<u>783,478</u>
Total U.S. Department of Housing and Urban Development			<u>783,478</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>195,594</u>
Total U.S. Department of Education			<u>195,594</u>
U.S. Department of Treasury			
Passed through Local Initiatives Support Corporation			
Emergency Rental Assistance Program	21.023	50791-0002	189,205
Passed through City of Los Angeles - Housing Community			
Investment Department			
COVID-19 Emergency Rental Assistance Program	21.023	C-138078	<u>148,046</u>
Total U.S. Department of Treasury			<u>337,251</u>
U.S. Department of Health and Human Services			
Passed through City of Los Angeles - Community Investment for			
Families Department			
Community Services Block Grant - Wilshire FamilySource Center	93.569	C-140265	36,065
Passed through City of Los Angeles - Housing Community			
Investment Department			
Community Services Block Grant - Wilshire FamilySource Center	93.569	C-138691	292,894
Coronavirus Aid, Relief, and Economic Security	93.569	C-138125	<u>290,322</u>
Total U.S. Department of Health and Human Services			<u>619,281</u>
Total Federal Financial Assistance			<u>\$ 1,935,604</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, 2022. 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, 2022

**P.F. Bresee Foundation**

P.F. Bresee Foundation  
Schedule of Revenue by Division  
Year Ended June 30, 2022

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	<u>Administration</u>	<u>Family Services</u>	<u>Youth Programs</u>	<u>Gang Reduction and Youth Development</u>	<u>Total</u>
Individual support	\$ 285,496	\$ 5,246	\$ 5,901	\$ -	\$ 296,643
Contributions	450,634	82,995	839,692	-	1,373,321
Government grants	-	1,882,903	237,333	482,288	2,602,524
In-kind donations	62,053	1,241	1,320	-	64,614
Miscellaneous income	1,011	-	-	-	1,011
 Total revenues	 <u>\$ 799,194</u>	 <u>\$ 1,972,385</u>	 <u>\$ 1,084,246</u>	 <u>\$ 482,288</u>	 <u>\$ 4,338,113</u>

P.F. Bresee Foundation  
Schedule of Expenses by Division  
Year Ended June 30, 2022

	Administration	Family Services	Youth Programs	Gang Reduction and Youth Development	Fundraising	Total
Payroll	\$ 233,303	\$ 1,112,465	\$ 611,020	\$ 457,713	\$ 255,867	\$ 2,670,368
Professional fees	45,947	277,196	38,381	182	6,270	367,976
Insurance	3,382	13,526	10,145	6,763	-	33,816
Office supplies	8,736	7,696	3,588	1,837	297	22,154
Other supplies and emergency funds	1,608	35,374	174,025	3,178	3,987	218,172
Telephone and internet	10,922	6,276	4,707	3,137	-	25,042
Postage and printing	2,651	9,759	5,160	3,512	1,053	22,135
Equipment and maintenance	5,358	635	16,763	2,064	-	24,820
Transportation and meals	2,808	3,963	15,376	335	4,218	26,700
Staff development and trainings	12,370	7,144	26,629	6,341	4,791	57,275
Scholarship	-	-	85,585	-	-	85,585
Support services and activities	-	428,217	26,742	31,678	-	486,637
Facilities	17,581	51,344	67,988	31,409	-	168,322
In-kind donations	62,053	1,241	1,320	-	-	64,614
Depreciation	18,707	26,898	55,300	25,495	-	126,400
<b>Total expenses</b>	<b>\$ 425,426</b>	<b>\$ 1,981,734</b>	<b>\$ 1,142,729</b>	<b>\$ 573,644</b>	<b>\$ 276,483</b>	<b>\$ 4,400,016</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, 2022

**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, 2022, 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 7, 2022.

**Report on 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 opinion 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 or significant deficiencies may exist that have not been identified.

## **Report on 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.

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

Rancho Cucamonga, California  
November 7, 2022



## **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**

#### ***Opinion on Each Major Federal Program***

We have audited P.F. Bresee Foundation’s (the Foundation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Foundation’s major federal program for the year ended June 30, 2022. The Foundation’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2022.

#### ***Basis for Opinion on The Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Foundation’s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Foundation’s federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 7, 2022



Schedule of Findings and Questioned Costs  
June 30, 2022

## 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	None reported
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**

Name of Federal Program or Cluster	Federal Financial Assistance Listing/CFDA Number
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.