



Financial Statements
June 30, 2023 and 2022

P.F. Bresee Foundation

Independent Auditor’s Report	1
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Cash Flows	7
Statements of Functional Expenses.....	8
Notes to Financial Statements	10
Supplementary Information	
Schedule of Expenditures of Federal Awards	17
Note to Supplementary Information	18
Additional Supplementary Information	
Schedule of Revenue by Division.....	19
Schedule of Expenses by Division.....	20
Note to Additional Supplementary Information	21
Independent Auditor’s Reports	
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 <i>Government Auditing Standards</i>	22
Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance.....	24
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results.....	27
Financial Statement Findings	28
Federal Awards Findings and Questioned Costs	29
Summary Schedule of Prior Audit Findings.....	30



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, 2023 and 2022, 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, 2023 and 2022, 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 GAAS. 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, 2023, 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 October 26, 2023, 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
October 26, 2023

P.F. Bresee Foundation
Statements of Financial Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,235,768	\$ 1,190,618
Accounts receivable	750,772	621,868
Prepaid expenses	44,542	34,644
Total current assets	<u>2,031,082</u>	<u>1,847,130</u>
Noncurrent Assets		
Property and equipment, net	<u>1,750,988</u>	<u>1,727,391</u>
Total assets	<u>\$ 3,782,070</u>	<u>\$ 3,574,521</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts payable	<u>\$ 204,810</u>	<u>\$ 303,767</u>
Net Assets		
Without donor restrictions	3,145,402	2,959,042
With donor restrictions	<u>431,858</u>	<u>311,712</u>
Total net assets	<u>3,577,260</u>	<u>3,270,754</u>
Total liabilities and net assets	<u>\$ 3,782,070</u>	<u>\$ 3,574,521</u>

P.F. Bresee Foundation
 Statements of Activities
 Years Ended June 30, 2023 and 2022

	2023		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues			
Individual support	\$ 164,951	\$ 14,701	\$ 179,652
Contributions	363,850	871,381	1,235,231
Government grants	2,727,778	-	2,727,778
Special event - Dinner Gala	284,506	60,500	345,006
In-kind donations	194,485	-	194,485
Assets released from restrictions	826,436	(826,436)	-
Total revenues	<u>4,562,006</u>	<u>120,146</u>	<u>4,682,152</u>
Expenses			
Management and general	452,230	-	452,230
Program	3,524,490	-	3,524,490
Fundraising	412,074	-	412,074
Total expenses	<u>4,388,794</u>	<u>-</u>	<u>4,388,794</u>
Other Income			
Interest	13,148	-	13,148
Change in Net Assets	186,360	120,146	306,506
Net Assets, Beginning of Year	<u>2,959,042</u>	<u>311,712</u>	<u>3,270,754</u>
Net Assets, End of Year	<u>\$ 3,145,402</u>	<u>\$ 431,858</u>	<u>\$ 3,577,260</u>

P.F. Bresee Foundation
Statements of Activities
Years Ended June 30, 2023 and 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
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)	-
Total revenues	<u>4,448,339</u>	<u>(110,226)</u>	<u>4,338,113</u>
Expenses			
Management and general	412,785	-	412,785
Program	3,710,748	-	3,710,748
Fundraising	276,483	-	276,483
Total expenses	<u>4,400,016</u>	<u>-</u>	<u>4,400,016</u>
Other Income			
Interest	594	-	594
Change in Net Assets	48,917	(110,226)	(61,309)
Net Assets, Beginning of Year	<u>2,910,125</u>	<u>421,938</u>	<u>3,332,063</u>
Net Assets, End of Year	<u>\$ 2,959,042</u>	<u>\$ 311,712</u>	<u>\$ 3,270,754</u>

P.F. Bresee Foundation
 Statements of Cash Flows
 Years Ended June 30, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ 306,506	\$ (61,309)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	131,297	126,400
Change in assets and liabilities		
Prepaid expenses	(9,898)	(11,453)
Accounts receivable	(128,904)	(123,739)
Accounts payable	(98,957)	(3,373)
Net Cash Flows from Operating Activities	200,044	(73,474)
Investing Activities		
Purchase of property and equipment	(154,894)	(69,598)
Change in Cash and Cash Equivalents	45,150	(143,072)
Cash and Cash Equivalents, Beginning of Year	1,190,618	1,333,690
Cash and Cash Equivalents, End of Year	\$ 1,235,768	\$ 1,190,618

P.F. Bresee Foundation
 Statements of Functional Expenses
 Years Ended June 30, 2023 and 2022

	2023			
	Management and General	Program	Fundraising	Total
Payroll	\$ 268,488	\$ 2,201,345	\$ 309,149	\$ 2,778,982
Professional fees	71,596	231,430	15,878	318,904
Insurance	4,177	41,043	-	45,220
Office supplies	9,455	11,316	92	20,863
Other supplies and emergency funds	3,002	228,030	4,511	235,543
Telephone and internet	13,256	6,122	-	19,378
Postage and printing	884	14,624	84	15,592
Equipment and maintenance	4,754	6,031	-	10,785
Transportation and meals	3,071	32,706	2,222	37,999
Staff development and trainings	30,270	27,094	3,492	60,856
Special event - Dinner Gala	-	-	76,646	76,646
Scholarship	-	73,500	-	73,500
Support services and activities	52	379,724	-	379,776
Facilities	24,049	159,404	-	183,453
Depreciation	19,176	112,121	-	131,297
	<u>\$ 452,230</u>	<u>\$ 3,524,490</u>	<u>\$ 412,074</u>	<u>\$ 4,388,794</u>
Total expenses	<u>\$ 452,230</u>	<u>\$ 3,524,490</u>	<u>\$ 412,074</u>	<u>\$ 4,388,794</u>

P.F. Bresee Foundation
 Statements of Functional Expenses
 Years Ended June 30, 2023 and 2022

	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>
Total expenses	<u>\$ 412,785</u>	<u>\$ 3,710,748</u>	<u>\$ 276,483</u>	<u>\$ 4,400,016</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, 2023, 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
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, 2023 and 2022, 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.

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, 2023 and June 30, 2022, the Foundation had \$921,469 and \$747,452 of uninsured funds, respectively.

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, 2023 and 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 years ended June 30, 2023 and 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.

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:

	2023	2022
Cash and cash equivalents	\$ 803,910	\$ 878,906
Accounts receivable	750,772	621,868
	\$ 1,554,682	\$ 1,500,774

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. As of June 30, 2023 and June 30, 2022, the Foundation's operating reserve balance consisted of \$418,737 and \$348,589, respectively.

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, 2023 and June 30, 2022, the Foundation's account receivables balance consisted of \$750,772 and \$621,868 of grant monies, respectively.

Note 4 - Property and Equipment

Property and equipment activity for the Foundation for the fiscal years ended June 30, 2023 and 2022, were as follows:

	2023	2022
Land	\$ 363,614	\$ 363,614
Building and land improvement	2,472,319	2,374,908
Equipment	895,821	838,338
Vehicles	32,020	32,020
Total property and equipment	3,763,774	3,608,880
Accumulated depreciation	(2,012,786)	(1,881,489)
Total property and equipment, net	\$ 1,750,988	\$ 1,727,391

Depreciation expense for the years ended June 30, 2023 and 2022, were \$131,297 and \$126,400, 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:

	2023	2022
Subject to Expenditure for Specified Purpose		
Educational programs	\$ 431,858	\$ 311,712

Note 6 - Accounts Payable

As of June 30, 2023 and 2022, the Foundation's accounts payable balance of \$204,810 and \$303,767, 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, 2023, the Foundation had fully paid off the mortgage loan.

Note 8 - In-Kind Contributions

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

	2023	2022
Gift Cards	\$ 67,300	\$ 4,731
Dinner Gala Supplies	2,700	-
Art Studio Remodel	102,000	-
Program Supplies	7,860	-
Back to School Kits	9,308	14,187
Clothing	5,317	45,696
Total	\$ 194,485	\$ 64,614

During the year ended June 30, 2023, the Foundation received a donation of furniture and professional services to be used for its remodel of its Art Studio to create a dedicated arts space with a fair value of \$102,000 obtained from the donors assessed values of services. \$79,600 of the furniture and services were capitalized.

\$7,860 of gift-in-kind received during the year ended June 30, 2023, were unrestricted and all gift-in-kind received during the year ended June 30, 2022, were unrestricted.

Note 9 - Subsequent Events

The Foundation evaluated their June 30, 2023, financial statements for subsequent events through October 26, 2023, 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, 2023

P.F. Bresee Foundation

P.F. Bresee Foundation
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

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 - Community Investment for Families Department			
Community Development Block Grants/Entitlements Grants - Wilshire FamilySource Center	14.218	C-140265	\$ 428,827
Community Development Block Grant	14.218	C-135297	<u>48,930</u>
Total CDBG - Entitlement Grants Cluster			<u>477,757</u>
Total U.S. Department of Housing and Urban Development			<u>477,757</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>176,847</u>
Total U.S. Department of Education			<u>176,847</u>
U.S. Department of Treasury			
Passed through Local Initiatives Support Corporation			
Emergency Rental Assistance Program	21.023	50791-0002	<u>131,466</u>
Total U.S. Department of Treasury			<u>131,466</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	<u>232,972</u>
Total U.S. Department of Health and Human Services			<u>232,972</u>
U.S. Department of Homeland Security			
Passed through United Way of Greater Los Angeles			
Emergency Food and Shelter National Board Program	97.024	[1]	<u>80,762</u>
Total U.S. Department of Homeland Security			<u>80,762</u>
Total Federal Financial Assistance			<u>\$ 1,099,804</u>

[1] Pass-Through Entity Identifying Number is Not Applicable.

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, 2023. 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, 2023

P.F. Bresee Foundation

P.F. Bresee Foundation
Schedule of Revenue by Division
Year Ended June 30, 2023

	<u>Administration</u>	<u>Family Services</u>	<u>Youth Programs</u>	<u>Gang Reduction and Youth Development</u>	<u>Fundraising</u>	<u>Total</u>
Individual support	\$ 164,951	\$ 4,701	\$ 10,000	\$ -	\$ -	\$ 179,652
Contributions	554,750	65,211	615,270	-	-	1,235,231
Government grants	-	1,394,923	838,703	494,152	-	2,727,778
Special event - Dinner Gala	284,506	5,000	55,500	-	-	345,006
In-kind donations	7,860	72,617	111,308	-	2,700	194,485
	<u>\$ 1,012,067</u>	<u>\$ 1,542,452</u>	<u>\$ 1,630,781</u>	<u>\$ 494,152</u>	<u>\$ 2,700</u>	<u>\$ 4,682,152</u>

P.F. Bresee Foundation
Schedule of Expenses by Division
Year Ended June 30, 2023

	<u>Administration</u>	<u>Family Services</u>	<u>Youth Programs</u>	<u>Gang Reduction and Youth Development</u>	<u>Fundraising</u>	<u>Total</u>
Payroll	\$ 268,488	\$ 1,017,131	\$ 747,064	\$ 437,150	\$ 309,149	\$ 2,778,982
Professional fees	71,596	186,096	43,502	1,832	15,878	318,904
Insurance	4,177	16,708	15,981	8,354	-	45,220
Office supplies	9,455	6,202	2,584	2,530	92	20,863
Other supplies and emergency funds	3,002	53,502	162,994	11,534	4,511	235,543
Telephone and internet	13,256	2,721	2,041	1,360	-	19,378
Postage and printing	884	6,987	4,550	3,087	84	15,592
Equipment and maintenance	4,754	1,020	4,970	41	-	10,785
Transportation and meals	3,071	4,218	28,332	156	2,222	37,999
Staff development and trainings	30,270	8,888	11,226	6,980	3,492	60,856
Special event - Dinner Gala	-	-	-	-	76,646	76,646
Scholarship	-	-	73,500	-	-	73,500
Support services and activities	52	282,082	53,211	44,431	-	379,776
Facilities	24,049	58,786	66,889	33,729	-	183,453
Depreciation	19,176	28,004	57,574	26,543	-	131,297
Total expenses	<u>\$ 452,230</u>	<u>\$ 1,672,345</u>	<u>\$ 1,274,418</u>	<u>\$ 577,727</u>	<u>\$ 412,074</u>	<u>\$ 4,388,794</u>

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 Expenses 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 expenses of the Foundation.



Independent Auditor's Reports
June 30, 2023

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 Foundation’s statement of financial position as of June 30, 2023, 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 October 26, 2023.

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 cursive script that reads "Eide Sully LLP".

Rancho Cucamonga, California
October 26, 2023



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, 2023. 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, 2023.

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 cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed text of the firm's name and location.

Rancho Cucamonga, California
October 26, 2023



Schedule of Findings and Questioned Costs
June 30, 2023

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.