

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION

*June 30, 2021 and 2020*



ZIELINSKI & ASSOCIATES, P.C.

---

CERTIFIED PUBLIC ACCOUNTANTS

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION

*June 30, 2021 and 2020*

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION

*June 30, 2021 and 2020*

***Table of Contents***

---

**FINANCIAL STATEMENTS**

Independent Auditor’s Report.....	Page 1
Statements of Financial Position .....	3
Statements of Activities .....	4
Statements of Functional Expenses.....	5
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8

**SUPPLEMENTARY INFORMATION**

Schedule of Expenditures of Federal and State Awards.....	16
Combining Schedule of Activities .....	17
Reconciliation of Statement of Activities to Combining Schedule of Activities .....	18
Schedule of Expenditures by State Categories .....	19
Schedule of Reimbursable Administrative Costs .....	20
Schedule of Reimbursable Expenditures for Renovations and Repairs.....	21
Schedule of Reimbursable Equipment Expenditures .....	22
Audited Attendance and Fiscal Report—CSPP0263— California State Preschool.....	23
Quality Review Checklist for FY 2020-21 Child Care and Development Program Agencies.....	28

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION

*June 30, 2021 and 2020*

***Table of Contents***

---

**OTHER REQUIRED INFORMATION**

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> .....	Page 33
Report on Compliance for Each Major Program, Report on Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal and State Awards Required by <i>Uniform Grants Guidance</i> 2 CFR Part 200, Subpart F .....	35
Schedule of Findings and Questioned Costs .....	38
Auditor’s Written Communications .....	40
Management Letter .....	41

# FINANCIAL STATEMENTS



# ZIELINSKI & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

Board of Directors  
South Central Los Angeles  
Ministry Project, Inc.  
Los Angeles, California

We have audited the accompanying financial statements of South Central Los Angeles Ministry Project, Inc. (a nonprofit organization), which comprise the Statements of Financial Position as of June 30, 2021 and 2020, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Central Los Angeles Ministry Project, Inc. as of June 30, 2021 and 2020, 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.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

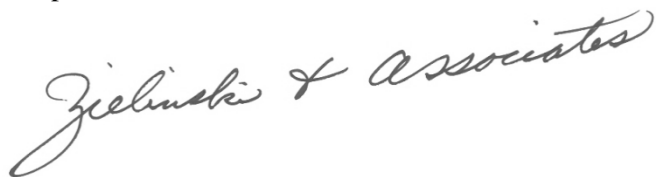
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 17 through 31 and the other required information on pages 32 through 40 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we also have issued our report dated December 14, 2021, on our consideration of internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 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 internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Zielinski & Associates". The signature is written in dark ink and is slanted upwards from left to right.

December 14, 2021

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

STATEMENTS OF FINANCIAL POSITION

*June 30, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 861,793	\$ 449,557
Investments (Note C)	342,516	231,092
Accounts receivable	6,750	1,750
Prepaid expenses and other assets	7,976	-
Furniture, fixtures, and equipment net of accumulated depreciation (Note D)	<u>142,239</u>	<u>158,821</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,361,274</u>	<u>\$ 841,220</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable	\$ 20,998	\$ 5,670
Payroll liabilities payable	2,505	323
Paycheck Protection Program (PPP) loan (Note M)	-	163,500
Accrued liabilities (Note E)	72,711	45,388
Deferred revenue	<u>223,114</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>319,328</u>	<u>214,881</u>
Net assets		
Without donor restrictions	991,946	576,339
With donor restrictions (Note F)	<u>50,000</u>	<u>50,000</u>
<b>TOTAL NET ASSETS</b>	<u>1,041,946</u>	<u>626,339</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,361,274</u>	<u>\$ 841,220</u>



SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

STATEMENTS OF ACTIVITIES

*For the years ended June 30, 2021 and 2020*

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>						
Grant revenue	\$ 531,664	-	\$ 531,664	\$ 508,531	-	\$ 508,531
Contributions and appeals	323,257	-	323,257	337,443	-	337,443
Federal and California State Grants (Note I)	264,471	-	264,471	438,181	-	438,181
In-kind revenue	49,019	-	49,019	46,600	-	46,600
Investment income	7,842	-	7,842	6,651	-	6,651
Other	6,450	-	6,450	2,941	-	2,941
<b>TOTAL REVENUES</b>	<b>1,182,703</b>	<b>-</b>	<b>1,182,703</b>	<b>1,340,347</b>	<b>-</b>	<b>1,340,347</b>
<b>Expenses</b>						
Program services	845,606	-	845,606	845,692	-	845,692
Management and general	197,699	-	197,699	214,123	-	214,123
Fundraising	106,663	-	106,663	129,304	-	129,304
<b>TOTAL EXPENSES</b>	<b>1,149,968</b>	<b>-</b>	<b>1,149,968</b>	<b>1,189,119</b>	<b>-</b>	<b>1,189,119</b>
<b>CHANGES IN NET ASSETS BEFORE OTHER CHANGES</b>	<b>32,735</b>	<b>-</b>	<b>32,735</b>	<b>151,228</b>	<b>-</b>	<b>151,228</b>
<b>Other Changes</b>						
PPP loan forgiveness	163,500	-	163,500	-	-	-
Gain on investments, net	42,928	-	42,928	8,841	-	8,841
Contingency—CA State Contract (Note G)	176,444	-	176,444	-	-	-
<b>TOTAL OTHER CHANGES</b>	<b>382,872</b>	<b>-</b>	<b>382,872</b>	<b>8,841</b>	<b>-</b>	<b>8,841</b>
<b>CHANGES IN NET ASSETS</b>	<b>415,607</b>	<b>-</b>	<b>415,607</b>	<b>160,069</b>	<b>-</b>	<b>160,069</b>
<b>Net Assets, Beginning of Year</b>	<b>576,339</b>	<b>\$ 50,000</b>	<b>626,339</b>	<b>416,270</b>	<b>\$ 50,000</b>	<b>466,270</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 991,946</b>	<b>\$ 50,000</b>	<b>\$ 1,041,946</b>	<b>\$ 576,339</b>	<b>\$ 50,000</b>	<b>\$ 626,339</b>

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

*For the year ended June 30, 2021*

	Program Services				Supporting Services				Total
	Early Childhood Education	Food Program/ COVID-19	Parenting Program	English Second Language Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	
<b>Personnel Expenses</b>									
Salaries and wages	\$ 342,053	\$ 71,440	\$ 71,398	\$ 42,477	\$ 527,368	\$ 80,900	\$ 53,858	\$ 134,758	\$ 662,126
In-kind salaries	-	-	-	22,000	22,000	-	-	-	22,000
Benefits and taxes	45,181	-	6,731	4,260	56,172	47,930	4,718	52,648	108,820
<b>TOTAL PERSONNEL EXPENSES</b>	387,234	71,440	78,129	68,737	605,540	128,830	58,576	187,406	792,946
Professional services	350	-	50	15	415	9,814	26,410	36,224	36,639
Rent	65,318	-	9,331	22,725	97,374	15,751	3,966	19,717	117,091
Miscellaneous	14,114	42	9,392	320	23,868	4,470	11,186	15,656	39,524
Supplies and activities	21,496	1,569	11,371	15,828	50,264	3,817	57	3,874	54,138
Food	19,809	-	-	-	19,809	106	-	106	19,915
Professional development	706	-	-	-	706	1,491	111	1,602	2,308
Accounting and legal	4,670	-	667	200	5,537	1,011	132	1,143	6,680
Travel	24	-	31	-	55	2,917	-	2,917	2,972
Maintenance and repairs	8,840	-	1,118	336	10,294	6,207	224	6,431	16,725
Utilities	6,469	-	924	1,779	9,172	1,386	348	1,734	10,906
Telephone	5,131	-	733	220	6,084	1,374	147	1,521	7,605
Printing	240	-	34	10	284	51	4,655	4,706	4,990
Depreciation	-	-	-	-	-	16,582	-	16,582	16,582
Postage	-	-	-	-	-	844	461	1,315	1,305
Equipment	13,666	-	1,952	586	16,204	3,048	390	3,438	19,642
<b>TOTAL 2021 FUNCTIONAL EXPENSES</b>	<u>\$ 548,067</u>	<u>\$ 73,051</u>	<u>\$ 113,732</u>	<u>\$ 110,756</u>	<u>\$ 845,606</u>	<u>\$ 197,699</u>	<u>\$ 106,663</u>	<u>\$ 304,362</u>	<u>\$ 1,149,968</u>

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

*For the year ended June 30, 2020*

	Program Services				Supporting Services				Total
	Early Childhood Education	Parenting Program	English Second Language Program	Summer Camp Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	
<b>Personnel Expenses</b>									
Salaries and wages	\$ 424,092	\$ 34,807	\$ 49,617	\$ 17,089	\$ 525,605	\$ 117,432	\$ 68,217	\$ 185,649	\$ 711,254
In-kind salaries	12,256	4,841	22,000	-	39,097	3,134	4,369	7,503	46,600
Benefits and taxes	48,636	3,896	4,878	714	58,124	39,930	5,596	45,526	103,650
<b>TOTAL PERSONNEL EXPENSES</b>	484,984	43,544	76,495	17,803	622,826	160,496	78,182	238,678	861,504
Professional services	4,274	611	183	-	5,068	5,456	26,522	31,978	37,046
Rent	65,397	9,342	19,159	-	93,898	14,452	4,633	19,085	112,983
Miscellaneous	7,350	2,548	284	-	10,182	2,298	367	2,665	12,847
Supplies and activities	20,268	296	5,142	-	25,706	5,402	-	5,402	31,108
Food	39,323	12	4	-	39,339	373	2	375	39,714
Professional development	2,109	117	-	-	2,226	7,440	809	8,249	10,475
Accounting and legal	6,242	892	268	-	7,402	1,363	176	1,539	8,941
Travel	214	451	-	-	665	2,475	420	2,895	3,560
Maintenance and repairs	5,990	703	171	-	6,864	2,507	114	2,621	9,485
Utilities	9,043	1,292	1,606	-	11,941	1,938	557	2,495	14,436
Telephone	11,255	1,608	482	-	13,345	2,412	322	2,734	16,079
Printing	90	13	4	-	107	3,333	9,356	12,689	12,796
Depreciation	-	-	-	-	-	3,397	-	3,397	3,397
Postage	48	-	-	-	48	682	-	682	730
Equipment	4,252	1,402	421	-	6,075	99	7,844	7,943	14,018
<b>TOTAL 2020 FUNCTIONAL EXPENSES</b>	<u>\$ 660,839</u>	<u>\$ 62,831</u>	<u>\$ 104,219</u>	<u>\$ 17,803</u>	<u>\$ 845,692</u>	<u>\$ 214,123</u>	<u>\$ 129,304</u>	<u>\$ 343,427</u>	<u>\$ 1,189,119</u>

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

STATEMENTS OF CASH FLOWS

*For the years ended June 30, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 415,607	\$ 160,069
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	16,582	3,397
Gain on investment	42,928	(8,841)
(Increase) decrease in:		
Accounts receivable	(5,000)	5,538
Prepaid expenses	(7,976)	-
Increase (decrease) in:		
Accounts payable	15,328	2,505
Payroll liabilities payable	2,182	323
Paycheck Protection Program	(163,500)	-
Accrued liabilities	27,323	6,762
Deferred revenue	223,114	(58,500)
	<u>566,588</u>	<u>111,253</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>566,588</u>	<u>111,253</u>
<b>Cash Flows from Investing Activities</b>		
Net increase in furniture, fixtures, and equipment	-	(45,845)
Net increase in investments	(154,352)	(6,558)
	<u>(154,352)</u>	<u>(52,403)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(154,352)</u>	<u>(52,403)</u>
<b>Cash Flows from Financing Activities</b>		
Paycheck Protection Program loan	-	163,500
	<u>-</u>	<u>163,500</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>-</u>	<u>163,500</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	412,236	222,350
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>449,557</u>	<u>227,207</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 861,793</u>	<u>\$ 449,557</u>

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

*June 30, 2021 and 2020*

---

**NOTE A—THE ORGANIZATION**

South Central LAMP's mission is to provide programs that empower women and their families to reach their full potential in a supportive, nurturing environment through education, building self-esteem, and strengthening community relationships.

South Central LAMP was founded by representatives from eight congregations of religious women in response to the civil unrest of 1992. While researching the specific needs of local residents, they found a strong desire from Latino immigrant mothers to improve their literacy and education, enhance their parenting skills, and prepare their children for school and success in life. In dialogue with the local community, the founders developed programming that has grown to include culturally competent language and literacy education, early childhood education for children 0–5, enrichment activities for children ages 5–12, health education and services, access to a variety of community resources, and an environment that supports the entire family in its quest to learn and thrive. The programs, which are offered free of charge, positively impact the lives of more than 300 children and adults each year.

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting.

**Classification of Net Assets**

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of South Central LAMP are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

*Net assets without donor restrictions*—these generally result from revenues generated by receiving unrestricted contributions and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net assets with donor restrictions*—South Central LAMP reports gifts of cash and other assets as temporarily restricted support 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 the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from program or capital restrictions.

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2021 and 2020*

---

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**Cash and Cash Equivalents**

South Central LAMP has defined cash and cash equivalents as all highly liquid debt instruments purchased with an original maturity of three months or less.

**Investments**

Investments are recorded at fair value using quoted prices in active markets. Realized gains or losses on sales of investments are determined on a specific cost identification method. Unrealized gains and losses are determined based upon year-end market value fluctuations. South Central LAMP follows the practice of diversifying its portfolio to mitigate the concentration of credit risk. Unrealized gains and losses on investments are classified as non-operating items and are reported as other changes in the Statements of Activities.

**Accounts Receivable**

Accounts receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly.

As all the receivables are deemed fully collectible, no allowance is provided for doubtful accounts.

**Furniture, Fixtures, and Equipment**

Furniture, fixtures, and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets, which is five years. Maintenance and repair costs are charged to expense as incurred.

Furniture, fixtures, and equipment are capitalized if the cost of an asset is greater than or equal to \$2,000 and the useful life is greater than one year.

**Concentration of Credit Risk**

South Central LAMP maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. South Central LAMP has not experienced any losses in such accounts and believes it is not exposed to any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2021 and 2020*

---

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**In-kind Donations**

In-kind donations include supplies, food, and equipment, as well as printing and event-related services for fundraising events. Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. South Central LAMP received \$49,019 and \$46,600 of in-kind donations during the years ended June 30, 2021 and 2020, respectively.

**Income Taxes**

South Central LAMP is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from comparable state law whereby only unrelated business income when earned, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. South Central LAMP currently has no unrelated business income.

South Central LAMP does not believe there are any material uncertain tax positions and, accordingly, they will not recognize any liability for them.

South Central LAMP's Forms 990, Return of Organization Exempt from Income Taxes for the years ending June 30, 2021, 2020, and 2019, are subject to examination by the IRS, generally for three years after they are filed.

**Functional Allocation of Expenses**

Costs of providing South Central LAMP's programs and other activities have been presented in the Statements of Functional Expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. All directly identifiable costs have been allocated by management among the program and supporting services benefited. Salary and square footage percentages are used to allocate indirect costs.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of that date and for the period presented. Accordingly, actual results could differ from those estimates.

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2021 and 2020*

---

**NOTE C—INVESTMENTS**

South Central LAMP adopted FASB Accounting Standards Codification (ASC) Topic 820. Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following tables present the fair value measurements of investments recognized in the accompanying Statements of Financial Position measured at fair value on a recurring basis and the level within the ASC 820 fair value hierarchy in which the fair value measurements fall at June 30:

	<b>Fair Value 2021</b>	<b>Fair Value 2020</b>
Cash and cash equivalents	\$ 3,667	\$ 8,437
Mutual funds	195,068	98,304
Common stock	143,781	124,351
<b>TOTAL LEVEL ONE</b>	<b>\$ 342,516</b>	<b>\$ 231,092</b>

Investment income for the years ended June 30, 2021 and 2020 was as follows:

	<b>2021</b>	<b>2020</b>
Investment income	\$ 7,842	\$ 6,651
Gains on investments	45,835	11,322
Investment fees	(2,907)	(2,481)
	<b>\$ 50,770</b>	<b>\$ 15,492</b>

The net deposits into investments were \$154,352 and \$6,558 at June 30, 2021 and 2020, respectively.



SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2021 and 2020*

---

**NOTE D—FURNITURE, FIXTURES, AND EQUIPMENT**

Furniture, fixtures, and equipment consisted of the following:

	<b>2021</b>	<b>2020</b>
Furniture, fixtures, and equipment	\$ 92,111	\$ 92,111
Leasehold improvements	110,513	110,513
Less: accumulated depreciation	(60,385)	(43,803)
Furniture, fixtures, and equipment, net	\$ 142,239	\$ 158,821
Depreciation expense	\$ 16,582	\$ 3,397

Included in leasehold improvements is \$109,076, which is permanent playground equipment that was designed and installed by contractors chosen by LAUP, who paid for the equipment during the year ended June 30, 2017. If South Central LAMP vacates its current location, this equipment cannot be removed. Accordingly, no depreciation is recorded for this asset.

**NOTE E—ACCRUED LIABILITIES**

Accrued liabilities consisted of the following:

	<b>2021</b>	<b>2020</b>
Accrued payroll and taxes	\$ 27,470	\$ 23,270
Accrued vacation	45,241	22,118
<b>TOTAL ACCRUED LIABILITIES</b>	<b>\$ 72,711</b>	<b>\$ 45,388</b>

**NOTE F—NET ASSETS WITH DONOR RESTRICTIONS**

With consent of the donor, at times South Central LAMP can apply restricted funds to fund operating costs. The funding plan requires approval by the Board of Directors. The net assets with donor restrictions balance was \$50,000 at June 30, 2021 and 2020.

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2021 and 2020*

---

**NOTE G—CONTINGENCIES**

South Central LAMP's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies.

Such audits could generate expenditure disallowances or refunds payable under terms of the agency contracts. No amounts are currently payable. For the year ended June 30, 2021, a contingency in the amount of \$176,444 has been recorded under Other Changes on the Statement of Activities.

**NOTE H—LEASE OBLIGATIONS**

South Central LAMP entered into a rental agreement to rent building space in August 2007. The original lease term expired in August 2015 and the lease has been renewed on a year-to-year basis since that time. The one year lease expires in August 2021. Subsequent to the year end, the lease was renewed for one year.

The future minimum lease payment due under this lease at June 30 is as follows:

<b>Fiscal Year</b> <b><u>Ending June 30</u></b>	
2022	\$ 93,312
2023	<u>15,552</u>
	<u>\$ 108,864</u>

Rent expense on the above leases totaled \$93,312 and \$92,160 for the years ended June 30, 2021 and 2020, respectively.

**NOTE I—GOVERNMENT GRANTS**

The Organization received public funds during the years ended June 30, 2021 and 2020. Funds were received from the California Department of Education for the California State Preschool Program and the Child and Adult Care Food Program. Total funding received was \$440,915 and \$438,181 for the years ended June 3, 2021 and 2020, respectively.

**NOTE J—NUTRITION PROGRAMS**

South Central LAMP had a nutrition agreement with the CDSS for Child and Adult Care Food Programs, as reported in the Schedule of Expenditures of Federal and State Awards. However, no nutrition audit report schedules are included in the audit because: (1) the audit disclosed no nutrition overpayments, underpayments, or program findings; (2) the contractor did not request reimbursement of audit costs; and (3) the audit is not a program specific nutrition audit.

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

*June 30, 2021 and 2020*

---

**NOTE K—COST ALLOCATION PLAN**

South Central LAMP updates its cost allocation plan annually and obtains approval from its Board of Directors. Its indirect cost allocation plan is on file in the organization's main accounting office. South Central LAMP allocates its costs based on the relative benefits received by the programs or activities. Accordingly, the organization applies the following methods for allocating costs:

*Direct Costs.* Costs identified 100 percent to a specific program are charged directly to that program.

*Indirect Costs.* Costs that benefit the operations of the entire organization, which cannot be identified to specific programs or activities, are allocated according to an approved indirect cost allocation plan.

**NOTE L—LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization's financial assets available within one year of the Statements of Financial Position date for general expenditures are as follows:

Cash and cash equivalents	\$ 861,793
Accounts receivable	6,750
Investments	<u>342,516</u>
<b>Total Financial Assets Available Within One Year</b>	<b><u>\$ 1,211,059</u></b>

Less: Liabilities payable within one year and net assets with donor restrictions:

Accounts payable	\$ 20,998
Payroll liabilities payable	2,505
Accrued liabilities	72,711
Net assets with donor restrictions	<u>50,000</u>
	<u>\$ 146,214</u>
<b>Total Financial Assets Available to Management for General Expenditure Within One Year</b>	<b><u>\$ 1,064,845</u></b>

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2021 and 2020*

---

**NOTE M—PAYCHECK PROTECTION PROGRAM (PPP)**

Because of the COVID-19 pandemic, the Organization applied for and received a Paycheck Protection Program (PPP) loan from the U.S. Federal Government Coronavirus Aid Relief and Economic Security (CARES) Act on April 25, 2020 to help pay salaries of its employees. The loan totaled \$163,500. The funds received were included in the June 30, 2020 Statements of Financial Position under Liabilities. The funds expended are included in the June 30, 2020 Statement of Functional Expenses. The loan and accrued interest were forgiven on March 3, 2021 and are included in the Statements of Activities under Other Changes.

**NOTE N—COVID-19 PANDEMIC**

The COVID-19 pandemic in the United States has caused business disruption through mandated and voluntary closing of businesses and nonprofit organizations and has drastically affected the financial markets. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and the continued effect on the markets. Therefore, the Organization expects this matter to negatively impact its future operations, contributions, and investment income. The related financial impact and duration cannot be reasonably estimated at this time.

**NOTE O—SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 14, 2021, the date the financial statements were available to be issued.

## SUPPLEMENTARY INFORMATION

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

SCHEDULE OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS

*For the Year Ended June 30, 2021*

<u>Grantor</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Award Amount</u>			<u>Expenditures</u>	
			<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>
U.S. Department of Agriculture Passed through California Department of Education: Child and Adult Care Food Program: CNIPS ID# 06169—CACFP—19—NP—IC	10.558		\$ 19,129	-	\$ 19,129	\$ 19,129	-
			-	-	-	-	-
California State Preschool Program		CSPP0263	-	\$ 421,786	421,786	-	\$ 421,786
<b>TOTAL FEDERAL AND STATE</b>			<u>\$ 19,129</u>	<u>\$ 421,786</u>	<u>\$ 440,915</u>	<u>\$ 19,129</u>	<u>\$ 421,786</u>

*Footnote 1. Basis of Presentation*

The *Schedule of Expenditures of Federal and State Awards* includes the expenditures of federal awards of South Central LAMP. Expenditures are presented on the accrual basis of accounting. The federal information in this schedule is presented in accordance with the requirements of *Uniform Grants Guidance*, 2 CFR Part 200, Subpart F. Thus, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

COMBINING SCHEDULE OF ACTIVITIES

*For the Year Ended June 30, 2021*

	<b>CSPP 0263</b>	<b>Total CDE CD Contracts</b>	<b>Non-CDE Programs</b>	<b>Total</b>
<b>Revenues</b>				
Grant revenue	-	-	\$ 531,664	\$ 531,664
Contributions and appeals	-	-	34,257	34,257
Fees for noncertified children	\$ 289,000	\$ 289,000	-	289,000
Government Contracts:				
Childcare and development programs	421,786	421,786	-	421,786
Childcare food program	-	19,129	-	19,129
In-kind revenue	-	-	49,019	49,019
Investment income	-	-	53,677	53,677
Other	-	-	6,450	6,450
	<b>710,786</b>	<b>729,915</b>	<b>675,067</b>	<b>1,404,982</b>
<b>Expenses</b>				
Program services	387,595	407,354	438,252	845,606
Management and general	-	-	197,699	197,699
Fundraising	-	-	106,663	106,663
	<b>387,595</b>	<b>407,354</b>	<b>742,614</b>	<b>1,149,968</b>

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

RECONCILIATION OF STATEMENT OF ACTIVITIES TO  
COMBINING SCHEDULE OF ACTIVITIES

*For the Year Ended June 30, 2021*

Statement of Activities Total Revenues	\$ 1,182,703
Other income:	
Contingency—CA State Contract	176,444
Gain on investments, net of fees	42,928
Investment fees	<u>2,907</u>
Gain on investment gross	<u>45,835</u>
Combining Schedule of Activities Total Revenues	<u>\$ 1,404,982</u>



SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

SCHEDULE OF EXPENDITURES BY STATE CATEGORIES

*For the Year Ended June 30, 2021*

	<u>CSPP 0263</u>	<u>Total CDE CD Contracts</u>
<b>Expenditures</b>		
Direct payments to providers		
1000 Certificated salaries	\$ 133,186	\$ 133,186
2000 Classified salaries	162,693	162,693
3000 Employee benefits	27,357	27,357
4000 Books and supplies	21,536	21,536
5000 Services and other operating expenses	42,823	62,582
6100/6200 Other approved capital outlay	-	-
6400 New equipment	-	-
6500 Replacement equipment	-	-
Depreciation on assets not purchased with public funds	-	-
Start-up expenses—service level exemption	-	-
Budget impasse credit expenses—service level exemption	-	-
Indirect costs (a)	-	-
	-	-
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT (b)</b>	<u>387,595</u>	<u>407,354</u>
Total supplemental expenses	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 387,595</u>	<u>\$ 407,354</u>

Notes:

- (a) A written indirect cost allocation plan for the current fiscal year, approved by the Board of Directors, is on file in the main accounting office of South Central Los Angeles Ministry Project, Inc.
- (b) Any food expenses have been allocated to the appropriate contracts.

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to the governing laws, regulations, and contract provisions.

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

SCHEDULE OF REIMBURSABLE ADMINISTRATIVE COSTS

*For the Year Ended June 30, 2021*

	<u>CSPP 0263</u>	<u>Total CDE</u>
<b>Reimbursable Administrative Costs</b>		
Salaries	\$ 378	\$ 378
Employee benefits	-	-
Books and supplies	-	-
Services and other operating expenses	-	-
Depreciation on non-CDE-funded assets used in program	-	-
Indirect costs	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u>\$ 378</u>	<u>\$ 378</u>

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

SCHEDULE OF REIMBURSABLE EXPENDITURES FOR RENOVATIONS AND REPAIRS

*For the Year Ended June 30, 2021*

	<b>CSPP 0263</b>	<b>Total CDE</b>
<b><u>Unit Cost Under \$10,000 Per Item</u></b>		
None	\$ _____ -	\$ _____ -
Subtotal	\$ _____ -	\$ _____ -
<b><u>Unit Cost \$10,000 or More Per Item With Prior Written Approval</u></b>		
None	\$ _____ -	\$ _____ -
Subtotal	\$ _____ -	\$ _____ -
<b><u>Unit Cost \$10,000 or More Per Item Without Prior Approval</u></b>		
None	\$ _____ -	\$ _____ -
Subtotal	\$ _____ -	\$ _____ -
<b>Total</b>	\$ _____ -	\$ _____ -

Note: South Central Los Angeles Ministry Project, Inc.'s capitalization threshold is \$2,000 or more.

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

SCHEDULE OF REIMBURSABLE EQUIPMENT EXPENDITURES

*For the Year Ended June 30, 2021*

	<b>CSPP 0263</b>	<b>Total CDE</b>
<b><u>Unit Cost Under \$7,500 Per Purchase</u></b>		
None	\$ -	\$ -
<b>Subtotal</b>	\$ -	\$ -
<b><u>Unit Cost \$7,500 or More Per Purchase With Prior Written Approval</u></b>		
None	\$ -	\$ -
<b>Subtotal</b>	\$ -	\$ -
<b><u>Unit Cost \$7,500 or More Per Purchase Without Prior Approval</u></b>		
None	\$ -	\$ -
<b>Subtotal</b>	\$ -	\$ -
<b>Total</b>	\$ -	\$ -

Note: South Central Los Angeles Ministry Project, Inc.'s capitalization threshold is \$2,000 or more.

**California Department of Education  
Audited Attendance and Fiscal Report for  
California State Preschool Programs**

A U D 8501 Page 1 of 8

Fiscal Year Ending **June 30, 2021**

Contract Number **CSPP 0263**

Vendor Code **A686**

Full Name of Contractor **South Central Los Angeles Ministry Project, Inc.**

**Section 1 - Days of Enrollment Certified Children**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time	9,674	-162	9,512	0.6193	5,890.7816
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	0
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0

Full Name of Contractor **South Central Los Angeles Ministry Project, Inc.**

**Section 1 - Days of Enrollment Certified Children (continued)**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>9,674</b>	<b>-162</b>	<b>9,512</b>	N/A	<b>5,890.7816</b>
<b>DAYS OF OPERATION</b>	<b>178</b>	<b>-3</b>	<b>175</b>	N/A	N/A
<b>DAYS OF ATTENDANCE</b>	<b>1,325</b>		<b>1,325</b>	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3 and 4) and continue to Revenue Section on page 5.

Full Name of Contractor **South Central Los Angeles Ministry Project, Inc.**

**Section 3 - Revenue**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	19,063	66	19,129
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
<b>Restricted Income - Subtotal</b>	<b>19,063</b>	<b>66</b>	<b>19,129</b>
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
<b>Transfer from Reserve Total</b>			
Waived Family Fees for Certified Children (July - August)			
Family Fees Collected for Certified Children (September - June)			
Waived Family Fees for Certified Children (September - June)			
<b>Family Fees for Certified Children (September - June) - Subtotal</b>			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start			
Unrestricted Income - Other:	389,000	-100,000	289,000
<b>Total Revenue</b>	<b>408,063</b>	<b>-99,934</b>	<b>308,129</b>

Comments:

Full Name of Contractor **South Central Los Angeles Ministry Project, Inc.**

**Section 4 - Reimbursable Expenses**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	114,071	19,115	133,186
2000 Classified Salaries	164,878	-2,185	162,693
3000 Employee Benefits	99,649	-72,292	27,357
4000 Books and Supplies	20,548	988	21,536
5000 Services and Other Operating Expenses	132,925	-70,343	62,582
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
<b>Total Reimbursable Expenses</b>	<b>532,071</b>	<b>-124,717</b>	<b>407,354</b>
Total Administrative Cost (included in Section 4 above)	378		378
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.



Full Name of Contractor **South Central Los Angeles Ministry Project, Inc.**

**Section 7 - Summary**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	9,674	-162	9,512
Days of Operation	178	-3	175
Days of Attendance	1,325		1,325
Restricted Program Income	19,063	66	19,129
Transfer from Reserve			
Family Fees for Certified Children (September - June)			
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	532,071	-124,717	407,354
Total Administrative Cost	378		378
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment

Total Non-Certified Adjusted Days of Enrollment

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box):

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box):

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

# Quality Review Checklist for FY 2020–21 Child Care and Development Program Agencies

Agency Name & Vendor #: South Central Los Angeles Ministry Project, Inc. A686

## Introduction

The quality review checklist is required to be completed by the agency's representative and submitted along with the agency's 2020–21 audit report and is designed to reduce or eliminate the need for follow-up questions that arise as the California Department of Education, Audits & Investigations Division and/or the California Department of Social Services reviews the organization's audit report submission in accordance with California Code of Regulations, Title 5, Section 18072.

If questions arise during the audit report review process, the reviewer will contact the agency's Certified Public Accountant (CPA). Please provide an email address for the CPA or CPA firm that conducted the agency's audit.

CPA Firm / CPA Name: Zielinski and Associates, Inc.

Email: pking@zielinskico.com

## Required Contents

1. Does the audit report include the following? (*Note: This information is required for all agencies. For more information, reference the CDE Audit Guide: Chapter 200, Exhibit A; Chapter 300; and Illustrative Contractor Audit Report*):

- a. Independent Auditor's Report, based on Generally Accepted Auditing Standards and Government Auditing Standards .....  Yes  No
  - i. Does the Independent Auditor's Report indicate whether the supplementary information is fairly presented in all material respects in relation to the financial statements as a whole? .....  Yes  No
- b. 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 .....  Yes  No
- c. Statement of Financial Position / Balance Sheet .....  Yes  No
- d. Statement of Activities / Income Statement .....  Yes  No
- e. Notes to Financial Statements .....  Yes  No

- f. Schedule of Expenditures of Federal and State Awards .....  Yes  No
- g. Schedule of Findings and Questioned Costs.....  Yes  No
- h. Combining Statement of Activities .....  Yes  No
- i. Schedule of Claimed Administrative Costs .....  Yes  No
- j. Schedule of Claimed Equipment Expenditures.....  Yes  No
- k. Schedule of Claimed Expenditures for Renovations and Repairs .....  Yes  No
- l. Audited Attendance and Fiscal Report (AUD) form for each child development program contract.....  Yes  No
- m. Notes to the Child Development Contract Supplemental Information.....  Yes  No

2. If applicable, does the audit report submission include the following (*Note: This information is only required under certain circumstances. For more information reference the CDE Audit Guide: Chapter 200, Exhibit A; Chapter 300; and Illustrative Contractor Audit Report*):

- a. Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (2 CFR Part 200, Subpart F) .....  Yes  No  N/A
- b. Management letter and/or internal control communication letter .....  Yes  No  N/A
- c. Statement of Cash Flows .....  Yes  No  N/A
- d. Statement of Functional Expenses .....  Yes  No  N/A
- e. Schedule of Claimed Start-Up Expenses .....  Yes  No  N/A
- f. Audited Reserve Account Activity Report (AUD 9530-A) .....  Yes  No  N/A
- g. Reconciliation of fiscal year not ending on June 30.....  Yes  No  N/A
- h. Reconciliation of CD Reporting to GAAP Reporting.....  Yes  No  N/A
- i. An audit report that includes all required information for any agencies that the contractor entered into a subcontract for early learning and care services with (see FT&C Section I – Definitions).....  Yes  No  N/A

## AUDs and Financial Statements

3. Were all AUDs prepared on the correct fiscal year's form?.....  Yes  No
4. Are all pages of the AUD form(s) included? .....  Yes  No  
a. If not, was the appropriate box marked to explain why the pages were omitted? .....  Yes  No  N/A
5. Does each AUD's column A agree to column C of the year-end CDNFS report?.....  Yes  No
6. Do each AUD's total expenses claimed for reimbursement and total supplemental expenses trace to and agree with the amounts reported on the Schedule of Expenditures by State Categories?.....  Yes  No
7. For each contract, do the total expenses on the Schedule of Expenditures by State Categories trace to and agree with the total expenses on the Combining Statement of Activities or any applicable expense reconciliation schedules presented in the report?.....  Yes  No
8. Does the total revenue and expenses on the Combining Statement of Activities (CSA) trace and agree to the Statement of Activities?.....  Yes  No
9. Does each AUD's revenue related to reimbursable expenses trace to and agree with the Combining Statement of Activities or other Statement? .....  Yes  No

## Capitalized Expenses

10. Are all capitalized expenditures using child development funds identified in the Schedule of Claimed Expenditures for Renovations & Repairs or Schedule of Claimed Equipment Expenditures schedules? (Note: "Capitalized Equipment" is defined by the FT&C as equipment with a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the contractor for financial statement purposes, or \$5,000, including tax).....  Yes  No
11. Do capitalized equipment expenses on AUD line items 6400, 6500 and/or start-up expenses trace to and agree with the Schedule of Claimed Equipment Expenditures? .....  Yes  No
12. Do other capital outlays, line item 6100/6200 on the AUD, trace to and agree with the Schedule of Claimed Expenditures for Renovations & Repairs? .....  Yes  No

13. Did the agency obtain preapproval for items expensed in line item(s) 6100/6200, 6400 and/or 6500? .....  Yes  No  N/A  
a. If not, please explain (attach additional pages if necessary):

---

---

14. If the agency has Child Care Facilities Revolving Fund or California Renovation and Repair loan repayments, are the expenditures correctly reported in line 6100/6200? .....  Yes  No  N/A

### Indirect and Administrative Costs

15. If the agency has an approved indirect cost rate, is it accurately reported on the AUD(s)? .....  Yes  No  N/A

16. If indirect costs are claimed, are they within the maximum indirect cost rate of the lesser of its approved rate or ten percent (10%)? .....  Yes  No  N/A

17. If indirect costs were reported, does the indirect cost amount agree to the indirect costs amount reported on the Schedule of Claimed Administrative Costs? .....  Yes  No  N/A

18. Do the total administrative costs reported on the AUD(s) trace to and agree with the total expense amounts reported on the Schedule of Claimed Administrative Costs? .....  Yes  No

### Enrollment, Attendance, and Assurances on Center-Based AUDs

19. Is the number of days of enrollment the same or greater than the number of days of attendance reported on the AUD(s)? .....  Yes  No  N/A

20. Were the two assurance certifications checked on the AUD? .....  Yes  No  N/A

### Audited Reserve Account Activity Report

21. Does each Audited Reserve Account Activity Report either identify interest earned on reserve funds or explain in the comments section why no interest is reported? .....  Yes  No  N/A

22. If there was a reserve account ending balance, was it correctly reported in the Statement of Financial Position/Balance Sheet as a liability? .....  Yes  No  N/A

## Revenue

23. If Child and Adult Care Food Program (CACFP) expenses were allocated to a child development contract, was the related revenue reported as restricted income? (Note: Reported revenue should be the lesser of the amount of CACFP funds paid to an agency or the amount of expenses allocated to the contract) .....  Yes  No  N/A

24. Was all revenue correctly classified as restricted or unrestricted in the AUD form(s)? .....  Yes  No  N/A

25. If the agency received funds from the Paycheck Protection Program, were any funds used for a child development program reported as restricted income? .....  Yes  No  N/A

26. If non-certified children are reported in the AUD(s), were non-certified family fees reported? .....  Yes  No  N/A

a. If not, please explain (attach additional pages if necessary):

---

---

Completed By: Pamela King

Title: Audit Senior

If necessary, add additional comments here:

## OTHER REQUIRED INFORMATION



ZIELINSKI & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

**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  
South Central Los Angeles  
Ministry Project, Inc.  
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 South Central Los Angeles Ministry Project, Inc., (South Central LAMP) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise South Central LAMP's basic financial statements, and have issued our report thereon dated December 14, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered South Central LAMP's internal control over financial reporting (internal control) to determine the 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 South Central LAMP's internal control. Accordingly, we do not express an opinion on the effectiveness of South Central LAMP's internal control.

*A deficiency in internal control* exists when the design or operating 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.



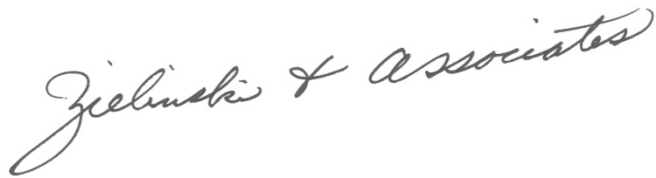
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether South Central LAMP's financial statements are free from material misstatements, 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 determination of financial statement amounts. 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*.

We noted certain matters that we reported to management of South Central LAMP in a separate letter dated December 14, 2021.

### **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 result of that testing, and not to provide an opinion on the effectiveness of South Central LAMP'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Zielinski & Associates". The signature is written in black ink and is positioned above the date.

December 14, 2021



# ZIELINSKI & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

## **Report on Compliance for Each Major Program, Report on Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal and State Awards Required by *Uniform Grants Guidance*, 2 CFR Part 200, Subpart F**

Board of Directors  
South Central Los Angeles  
Ministry Project, Inc.  
Los Angeles, California

### **Report on Compliance for Each Major Program**

We have audited South Central Los Angeles Ministry Project's (South Central LAMP) compliance with the types of compliance requirements described in *Uniform Grants Guidance*, 2 CFR Part 200, Subpart F that could have a direct and material effect on each of South Central LAMP's major federal programs for the year ended June 30, 2021. South Central LAMP had no major federal programs for the year ended June 30, 2021. The programs subjected to our audit are shown in the Schedule of Expenditures of Federal and State Awards.

### **Management's Responsibility for the Financial Statements**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for South Central LAMP's programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Uniform Grants Guidance*, 2 CFR Part 200, Subpart F. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a program occurred. An audit includes examining, on a test basis, evidence about South Central LAMP's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the programs. However, our audit does not provide a legal determination of South Central LAMP's compliance.

### **Opinion on Programs**

In our opinion, South Central LAMP complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of South Central LAMP is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered South Central LAMP's internal control over compliance with the types of requirements that could have a direct and material effect on each program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each program and to test and report on internal control over compliance in accordance with *Uniform Grants Guidance*, 2 CFR Part 200, Subpart F, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of South Central LAMP's internal control over compliance.

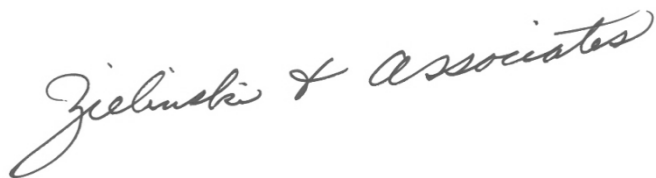
*A deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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 *Uniform Grants Guidance*, 2 CFR Part 200, Subpart F. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by *Uniform Grants Guidance*, 2 CFR Part 200, Subpart F**

We have audited the financial statements of South Central LAMP as of and for the year ended June 30, 2021, and have issued our report thereon dated December 14, 2021, which contained an unmodified opinion on those financial statements. 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 and state awards is presented for purposes of additional analysis as required by *Uniform Grants Guidance*, 2 CFR Part 200, Subpart F 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 standard generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Zielinski & Associates". The signature is written in dark ink and is positioned above the date.

December 14, 2021

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

*For the Year Ended June 30, 2021*

<b>Section I—Summary of Auditor’s Results</b>	<u>Yes</u>	<u>No</u>
<i>Financial Statements</i>		
Type of auditor’s report issued: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?		X
• Significant deficiency identified that is not considered to be a material weakness?		X
Noncompliance material to financial statements noted?		X
<i>Federal Awards</i>		
Internal control over major programs:		
• Material weakness identified?		X
• Significant deficiency identified that is not considered to be material weakness?		X
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 <i>Uniform Grants Guidance</i> , at 2 CFR Part 200.515(d)(1)(vi)?		X
Identification of major programs: CFDA Number:           Name of Federal Program or Cluster: None                       None		
Dollar threshold used to distinguish between type A and type B programs: \$300,000		
Auditee qualified as a low-risk auditee?		X
<b>Section II—Financial Statement Findings</b>		
Current year financial statement findings: None		
<b>Section III—Findings and Questioned Costs for Federal and State Awards—Current Year</b>		
None.		

SOUTH CENTRAL LOS ANGELES  
MINISTRY PROJECT, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

*For the Year Ended June 30, 2021*

**Section IV—Status of Corrective Action on Prior Year Findings**

There were no prior year findings.



# ZIELINSKI & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
South Central Los Angeles  
Ministry Project, Inc.  
Los Angeles, California

In planning and performing our audit of the financial statements of South Central Los Angeles Ministry Project, Inc. (South Central LAMP) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered South Central LAMP'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 South Central LAMP's internal control. Accordingly, we do not express an opinion on the effectiveness of South Central LAMP's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designated to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

This communication is intended solely for the information and use of management and the Board of Directors of South Central LAMP, others within the organization, and officials of the California Department of Education AND THE California Department of Social Services and is not intended to be, and should not be, used by anyone other than these specified parties.

*Zielinski & Associates*

December 14, 2021



# ZIELINSKI & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2021

Board of Directors  
South Central Los Angeles Ministry Project, Inc.  
Los Angeles, California

Thank you for allowing us the opportunity to audit the financial statements of South Central Los Angeles Ministry Project, Inc. (the Organization) for the year ended June 30, 2021.

In planning and performing our audit of the financial statements, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances and 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

During the audit we became aware of deficiencies in internal control, other than significant deficiencies and material weaknesses, and matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated December 14, 2021 on the financial statements of South Central Los Angeles Ministry Project, Inc.

## **Update Business Office Functions Documentation**

With the transition in the business office, the opportunity to update the business office functions documentation as new staff is trained should be taken. After the documentation is updated, the Executive Director (ED) and the Finance Committee should review and approve.

## **Monthly Review of the Balance Sheet**

The Finance Committee should review the balance sheet every month to ensure the accuracy of the financial reports presented to the board on a quarterly basis. This review should include the following:

- Adjustments to the prior year's books, if any, made by the auditor at fiscal yearend should be promptly entered into QuickBooks after the audit is completed.
- Journal entries made at fiscal yearend to record accounts payable, payroll accruals, accounts receivable, prepaid expenses, and deferred revenue should be adjusted (to reverse payables, receivables and accruals, and to recognize expenses and revenues) in the first quarter of the new fiscal year.
- The bank, investment, and credit card accounts should be reconciled every month and any anomalies explained.



Board of Directors

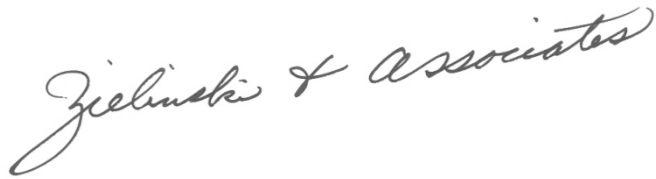
Page 2

We will review the status of these comments during our next professional engagement. We have already discussed these comments and suggestions with organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

If you have any questions regarding the topics discussed above, please do not hesitate to call us.

Thank you again for the opportunity to serve you.

Sincerely,

A handwritten signature in cursive script that reads "Zielinski & Associates". The signature is written in black ink and is slanted slightly to the right.

Zielinski & Associates, P.C.

ZA:am:a:93150:SCLAMP ML 21.2