

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

---

FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

**FINANCIAL STATEMENTS**

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

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**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

**FINANCIAL STATEMENTS**

June 30, 2024

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

3435 Wilshire Blvd., Suite 2240  
Los Angeles, CA 90010

Tel (213) 480 - 9100

Fax (213) 480 - 9107

[www.ckpcpas.com](http://www.ckpcpas.com)

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Koreatown Youth and Community Center, Inc.  
Los Angeles, California

### Opinion

We have audited the accompanying financial statements of Koreatown Youth and Community Center, Inc. ("KYCC"), which comprise the statement of financial position as of June 30, 2024, the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of KYCC as of June 30, 2024, and the results of its changes in net assets, cash flows and functional expenses for the year 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 (GAS)* issued by the Comptroller General of the United States. 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 KYCC 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 KYCC's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KYCC'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 KYCC'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 Child Development Program Supplementary Information 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 conformity with the CDE Audit Guide issued by the California Department of Education. 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 March 20, 2025 on our consideration of KYCC's 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 solely 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 the effectiveness of KYCC'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 KYCC's internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited KYCC's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*CKP, LLP*

Los Angeles, California  
March 20, 2025

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

## STATEMENT OF FINANCIAL POSITION

Year Ended June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

	2024	2023
Current assets:		
Cash and cash equivalents	\$ 2,920,954	\$ 1,535,124
Accounts receivable, net	6,362,641	5,295,562
Grants receivable	209,675	4,361
Other receivables	214,555	2,649
Prepaid expenses	85,545	126,321
Total current assets	<u>9,793,370</u>	<u>6,964,017</u>
Property and equipment, net	1,400,566	1,374,824
Other assets:		
Operating right-of-use assets	1,382,865	1,624,717
Finance right-of-use assets, net	130,965	94,423
Investments in limited partnerships & LLCs	311,221	315,062
Deposits	48,970	12,292
Total assets	<u>\$ 13,067,957</u>	<u>\$ 10,385,335</u>
Current liabilities:		
Accounts payable	\$ 1,287,434	\$ 684,611
Accrued expenses	710,768	593,625
Deferred revenue	2,256,481	1,093,885
Other payable	178	916
Current portion of operating lease liabilities	522,107	462,977
Current portion of finance lease liabilities	38,337	33,417
Total current liabilities	<u>4,815,305</u>	<u>2,869,431</u>
Commitment and contingencies	-	-
Long-term debts:		
Operating lease liabilities	877,190	1,161,740
Finance lease liabilities	93,415	61,006
Total liabilities	<u>5,785,910</u>	<u>4,092,177</u>
Net assets:		
Without donor restrictions	7,252,880	6,242,741
With donor restrictions	29,167	50,417
Total net assets	<u>7,282,047</u>	<u>6,293,158</u>
Total liabilities and net assets	<u>\$ 13,067,957</u>	<u>\$ 10,385,335</u>

See accompanying notes to financial statements

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and support				
Government grants and contributions	\$ 12,925,070	\$ -	\$ 12,925,070	\$ 11,649,663
Program service revenue	4,971,539	-	4,971,539	1,911,385
Foundation grants	1,058,641	175,000	1,233,641	1,861,392
Contributions and donations	488,391	-	488,391	583,052
Fundraising	876,539	-	876,539	1,074,071
Investment income	32,330	-	32,330	20,921
Development fees and others	9,501	-	9,501	71,724
Other income	262,107	-	262,107	314,389
Net assets released from restrictions	196,250	(196,250)	-	-
Total revenue and support	20,820,368	(21,250)	20,799,118	17,486,597
Functional expenses				
Program expenses	18,787,033	-	18,787,033	15,559,478
Support services				
General and administrative	(122,003)	-	(122,003)	27,599
Fundraising	1,145,199	-	1,145,199	951,780
Total functional expenses	19,810,229	-	19,810,229	16,538,857
Change in net assets	1,010,139	(21,250)	988,889	947,740
Adjustment to prior year	-	-	-	32,005
Net assets, beginning of year	6,242,741	50,417	6,293,158	5,313,413
Net assets, end of year	\$ 7,252,880	\$ 29,167	\$ 7,282,047	\$ 6,293,158

See accompanying notes to financial statements



**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

## STATEMENT OF CASH FLOWS

Year Ended June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

	2024	2023
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 988,889	\$ 947,740
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	199,773	135,352
Bad debt	323	17,422
Loss on investments in limited partnerships	3,841	3,116
Adjustment to prior year net assets	-	32,005
Changes in operating assets and liabilities:		
Accounts receivable	(1,067,402)	(1,538,721)
Pledge receivable	-	7,500
Grant receivable	(205,314)	1,291
Other receivables	(211,906)	1,916
Prepaid expense	40,776	(34,911)
Deposits	(36,678)	(12,292)
Accounts payable	602,823	226,817
Accrued expenses	117,143	93,231
Deferred revenue	1,162,596	(2,628)
Operating lease liabilities	16,432	-
Other payable	(738)	(226)
Total adjustments	621,669	(1,070,128)
Net cash provided by (used in) operating activities	1,610,558	(122,388)
<b>Net cash flows from investing activities</b>		
Acquisition of property and equipment	(186,366)	(203,731)
Net cash used in investing activities	(186,366)	(203,731)
<b>Net cash flows from financing activities</b>		
Reduction of lease liabilities	(38,362)	-
Net cash used in financing activities	(38,362)	-
Net increase (decrease) in cash and cash equivalents	1,385,830	(326,119)

See accompanying notes to financial statements

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

## STATEMENT OF CASH FLOWS

Year Ended June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

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	<u>2024</u>	<u>2023</u>
Cash and cash equivalents, beginning of years	<u>1,535,124</u>	<u>1,861,243</u>
Cash and cash equivalents, end of years	<u>\$ 2,920,954</u>	<u>\$ 1,535,124</u>
<b>Supplemental operating cash flow related to leases:</b>		
Cash paid for operating leases included in operating cash flow	<u>\$ 485,759</u>	<u>\$ 604,107</u>
Non-cash operating lease liabilities arising from obtaining right-of-use assets	<u>\$ 318,304</u>	<u>\$ 1,719,140</u>

See accompanying notes to financial statements

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2024  
(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

	PROGRAM SERVICES										SUPPORTING SERVICES		2024 Total	2023 Summarized Total
	Environmental Services	Economic Development	Clinical & Recovery	Youth Services	Prevention & Education	Kid's Town	Supporting Housing	Enhanced Case Management	Other Programs	Total Program Services	Total General & Administrative	Fundraising		
Personnel expenses														
Salaries and wages	\$ 1,584,006	\$ 1,775,613	\$ 1,825,947	\$ 213,135	\$ 1,027,939	\$ 432,748	\$ 612,573	\$ 409,416	\$ 311,367	\$ 8,192,744	\$ 1,689,648	\$ 445,597	\$ 10,327,989	\$ 8,635,584
Payroll taxes and benefits	563,546	423,588	409,897	47,789	224,224	113,804	116,865	96,962	72,318	2,068,993	298,668	101,498	2,469,159	2,093,798
Total personnel expenses	2,147,552	2,199,201	2,235,844	260,924	1,252,163	546,552	729,438	506,378	383,685	10,261,737	1,988,316	547,095	12,797,148	10,729,382
Other expenses														
Automobile	196,805	1,225	9,395	197	3,107	-	1,986	6,240	649	219,604	386	1,499	221,489	171,394
Bad debt	2	31	12	-	-	-	174	-	-	219	104	-	323	17,422
Bank service fees	388	105	7	-	-	-	60	58	-	618	4,954	3,115	8,687	4,615
Depreciation	-	-	-	-	-	60,282	-	-	-	60,282	100,342	-	160,624	135,352
Donated supplies & materials	-	-	-	-	-	-	-	-	-	-	-	149,691	149,691	125,096
Dues and subscriptions	-	1,191	2,868	177	152	-	-	-	-	4,388	6,757	-	11,145	9,865
Employee morale	3,173	16,891	440	72	204	381	4,641	130	790	26,722	42,342	3,903	72,967	27,963
Equipment rental	152,956	31,611	19,998	3,743	4,620	4,645	8,820	3,534	1,206	231,133	4,358	2,311	237,802	46,992
In-kind services	-	121,637	-	-	-	-	-	-	-	121,637	-	-	121,637	115,790
Indirect cost	555,843	787,173	506,277	59,974	291,689	72,006	256,523	112,926	87,317	2,729,728	(2,873,665)	143,937	-	-
Insurance	550	2,315	16,138	-	-	-	-	-	-	19,003	81,888	-	100,891	87,854
Marketing and promotion	-	416,591	522	-	31,061	-	-	-	300	448,474	3,593	3,507	455,574	181,568
Meeting and conferences	830	2,735	-	-	5,398	-	189	-	688	9,840	6,967	12,709	29,516	23,202
Miscellaneous	5,702	22	-	-	-	63,939	-	3,650	-	73,313	12,088	1,892	87,293	110,065
Occupancy expenses	163,538	152,952	136,317	40,597	95,405	61,639	37,036	45,956	16,190	749,630	68,753	24,801	843,184	664,871
Payroll services	10,886	-	-	-	-	-	-	-	-	10,886	63,373	-	74,259	62,702
Printing and publications	1,752	21,049	13,320	-	11,671	1,100	197	-	6,150	55,239	2,891	10,617	68,747	28,988
Professional services	101,287	41,143	112,702	2,175	50,970	10,438	4,091	18,555	8,243	349,604	300,753	70,433	720,790	462,434
Program expenses	175,474	77,535	33,967	7,815	40,293	6,306	7,121	3,793	24,726	377,030	91	77,468	454,589	1,064,005
Staff training	260	4,420	17,048	1,125	10,981	675	5,024	2,220	568	42,321	7,238	113	49,672	101,779
Subcontracts and client support	100	1,937,621	209,840	500	11,959	16,677	545,228	8,138	10,607	2,740,670	4,874	80,796	2,826,340	2,119,337
Supplies	5,568	49,116	6,810	3,118	6,890	4,399	30,027	3,574	11,173	120,675	14,636	6,913	142,224	85,407
Taxes and fees	7,889	1,185	655	-	1,385	2,891	-	104	-	14,109	982	661	15,752	29,994
Telephone	12,523	17,980	21,463	1,652	13,820	418	3,819	4,146	1,743	77,564	35,431	3,001	115,996	116,346
Travel	-	10,289	3,637	-	26,457	-	-	-	2,224	42,607	545	737	43,889	16,434
Total other expenses	1,395,526	3,694,817	1,111,416	121,145	606,062	305,796	904,936	213,024	172,574	8,525,296	(2,110,319)	598,104	7,013,081	5,809,475
Grand Total	\$ 3,543,078	\$ 5,894,018	\$ 3,347,260	\$ 382,069	\$ 1,858,225	\$ 852,348	\$ 1,634,374	\$ 719,402	\$ 556,259	\$ 18,787,033	\$ (122,003)	\$ 1,145,199	\$ 19,810,229	\$ 16,538,857

See accompanying notes to financial statements

# KOREATOWN YOUTH AND COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

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### **Note 1 - Organization**

Koreatown Youth and Community Center, Inc. (KYCC) is a not-for-profit, California Corporation located in the Koreatown area of Los Angeles. KYCC's programs and services are directed toward recently immigrated, economically disadvantaged youth and families, and promote community socio-economic development.

KYCC's services for children and families include early childhood education, after school programs for K-12, youth development programs, substance abuse prevention, mental health, and substance use recovery services, financial literacy and counseling, free tax preparation, and supportive long term and transitional housing services. KYCC is accredited by the Commission on Accreditation of Rehabilitation Facilities and the National Association for the Education of Young Children.

KYCC's community-wide services include small business assistance, resident-led substance use and community violence reduction, financial education, graffiti removal, urban forestry, community beautification, volunteer engagement, and intergenerational storytelling.

KYCC provides affordable housing for low-income individuals and families through low-income housing partnerships (Korean Youth Center, Ltd., Reno Apartments, L.P., Menlo Family Housing, L.P., and PHD Apartments, L.P.). KYCC provides affordable housing for low-income individuals and families through low-income housing partnerships (Korean Youth Center, Ltd., Reno Apartments, L.P., Menlo Family Housing, L.P., PHD Apartments, L.P., 1141 Crenshaw L.P., and Oak Apartments, L.P.).

#### Consolidation

In June 2021, KYCC formed and is the sole member of KYCC Solaris LLC, a California limited liability corporation (Solaris). Solaris is a general partner of 1141 Crenshaw L.P., which is constructing a 43-unit affordable housing building for chronically homeless individuals and families. In April 2022, KYCC also formed and is the sole member of KYCC Oak LLC, a California limited liability corporation (Oak). Oak was organized to act as a general partner of Oak Apartments, L.P., which owns and is constructing a 64-unit affordable housing building for chronically homeless individuals and families in City of Los Angeles, CA.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-02 to clarify when a not-for-profit entity (NFP) that is a general partner or a limited partner should consolidate a for-profit limited partnership or similar legal entity once the amendments in Accounting Standards Update No. 2015-02, Amendments to the Consolidation Analysis, become effective. ASU 2017-02 applies to an NFP that is a general partner or a limited partner of a for-profit limited partnership or a similar legal entity. A similar legal entity is an entity such as a limited liability company that has governing provisions that are the functional equivalent of a limited partnership. In those entities, a managing member is the functional equivalent of a general partner, and a non-managing member is the functional equivalent of a limited partner. Throughout ASU 2017-02, any reference to a limited partnership includes limited partnerships and similar legal entities.

ASU 2017-02 retains the consolidation guidance that was in Subtopic 810-20 for NFPs by moving it to Subtopic 958-810.4 Therefore, NFPs that are general partners would continue to be presumed to have control of a for-profit limited partnership, regardless of the extent of their ownership interest, unless that presumption is overcome. The presumption would be overcome if the limited partners have either substantive kick-out rights or substantive participating rights. To be substantive, the kick-out rights must be exercisable by a simple majority vote of the limited partners' voting interests or a lower threshold. For

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

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purposes of evaluating that threshold, the limited partners' voting interests should exclude voting interests held by the general partners, parties under common control with the general partners, and other parties acting on behalf of the general partners.

Limited partners of 1141 Crenshaw L.P. and Oak Apartments, L.P. have substantive kick-out and participating rights by exercising simple majority vote of limited partners' voting interests. Accordingly, KYCC has concluded not to consolidate Solaris and Oak as subsidiaries on its financial statements.

**Note 2 - Summary of Significant Accounting Policies**

This summary of significant accounting policies of KYCC is presented to assist in understanding KYCC's financial statements. The financial statements and notes are representations of KYCC's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Summarized Comparative Information

The financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with KYCC's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are primarily used for depreciation, allowance for doubtful accounts, and leases. Actual results could differ from those estimates.

Revenue Recognition

Grants and other contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions, depending on the nature of the restrictions.

Contributions include cash, in-kind contributions, and unconditional transfers of or unconditional promises to give cash or other assets. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or when the conditions expire, whichever occurs first.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a 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. However, KYCC has implemented the policy to show contributions with donor-imposed restrictions in the same manner as unrestricted contributions when those restrictions are met in the same reporting period as unrestricted contributions.

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

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Contributed Services

KYCC has several individuals who volunteer their time to assist with a variety of tasks throughout the year. However, general services do not meet the criteria for recognition as contributed service. The volunteer service for Internal Revenue Service (IRS) Volunteer Income Tax Assistance and Low Income Tax Payer Clinics require specialized skills and meet the criteria. \$121,637 and \$132,950 of contributed services have been recorded as revenue as well as expense for the years ended June 30, 2024 and 2023, respectively.

Other Income

KYCC was named as a beneficiary of a legal settlement, the terms of which includes a provision for a \$1,000,000 contribution to KYCC to be paid in installments over the period from 2022 to 2024. The final installment payment of \$207,003 is unpaid and recorded as receivable as of June 30, 2024. KYCC has agreed to defer the final payment until 2025. Interest on unpaid balances accrues at the annualized rate of 3%. KYCC recognized \$207,003 and \$259,288 of principal and interest income for the years ended June 30, 2024 and 2023, respectively.

Accounts Receivable and Allowance for Doubtful Accounts

KYCC provides various services on behalf of governments, other not-for-profit organizations and for-profit entities, and receives program service fees. KYCC had net accounts receivable of \$6,362,641 and \$5,295,562 which includes an allowance for doubtful accounts in the amount of \$6,994 and \$29,950 as of June 30, 2024 and 2023 respectively.

Cash and Cash Equivalents

KYCC considers all highly liquid investments purchased with an original maturity of three months or less to be categorized as cash and cash equivalents.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. The straight-line method is used to calculate depreciation over their estimated useful lives ranging as follows:

Building	30 years
Building improvements	10 to 30 years
Office equipment	5 years
Furniture and equipment	5 to 10 years
Automobiles	3 to 5 years

Capital expenditures that enhance the value or materially extend the useful life of the related assets are reflected as additions to property and equipment. Expenditures for maintenance and repairs that do not increase the estimated useful life of an asset are expensed as incurred.

## **KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

### NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

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#### Income Taxes

KYCC is exempt from Federal and State income taxes under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. KYCC is classified by the Internal Revenue Service as other than a private foundation.

KYCC has adopted Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. KYCC had no material unrecognized tax benefits, tax penalties or interest for the years ended June 30, 2024 and 2023, respectively.

KYCC's Federal form 990, Return of KYCC Exempt from Income Taxes, for the years ended June 30, 2021 through 2023 are subject to examination by the IRS, generally for three years after they were filed. The California form 199, California Exempt KYCC Annual Information Return, for the years ended June 30, 2020 through 2023 are subject to examination by the Franchise Tax Board, generally for four years after they were filed.

#### Accrued Vacation

Accumulated unpaid employee vacation benefits are recognized as liabilities of KYCC.

#### Allocation of Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Fair Value of Financial Instruments

The FASB issued ASC 820, which defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America and expands disclosures about fair value measurements. The guidance clarifies that fair value is an exit price, representing 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.

The guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exist, therefore requiring an entity to develop its assumptions.

KYCC's financial instruments, including cash and cash equivalents, accounts receivable, grants receivable, other receivables, accounts payable, accrued expenses, lease liabilities and other payable are carried at cost, which approximates their fair value because of the short-term maturity of these instruments.

## KOREATOWN YOUTH AND COMMUNITY CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

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#### Cost Allocation Plan

KYCC allocates its costs based on the relative benefits received by the programs or activities. Accordingly, KYCC applies several methods for allocating costs:

Direct Costs - Expenses that are charged directly to specific programs, projects, or cost centers based upon benefit received. These expenses may be allocated directly to either Program Services or Supporting Services.

Shared Direct Cost - Costs associated with programs or projects with more than a single funding source are shared between the programs and projects.

- Personnel and Personnel-Related Cost - Costs incurred for personnel and personnel-related expenses shall be charged based upon the allocation of staff time as reported on timesheets. Office supplies, telephone, equipment rental and lease, and equipment repair and maintenance are also allocated based upon staff time spent on each project or full-time equivalent (FTE) method.
- Occupancy and Space Cost - Costs are allocated based upon staff time spent on each project or FTE method. The FTE for each program and will need to be determined and the percentage of the total FTE of the cost center calculated.

Indirect Costs - Costs that have broad benefits to all aspects of an organization, but by its nature cannot be readily or reasonably allocated shall be charged as an indirect cost according to an approved indirect cost allocation plan. KYCC has an indirect cost rate approved by its cognizant federal agency and applies this rate across all projects and activities, except as restricted by the funder.

#### Leases

On June 30, 2023, KYCC adopted FASB ASU No. 2016-02, *Leases (Topic 842)* using the modified retrospective approach whereby the cumulative effect of adoption was recognized on the adoption date and prior periods were not restated. There was no net cumulative effect adjustment to retained earnings as of June 30, 2023 as a result of this adoption. In addition, ASC Topic 842 provides a practical expedient package that allows an entity to not reassess the following upon adoption (must be elected as a group): (i) whether an expired or existing contract contains a lease arrangement; (ii) the lease classification related to expired or existing lease arrangements; or (iii) whether costs incurred on expired or existing leases qualify as initial direct costs. KYCC elected such practical expedient upon adoption of ASC Topic 842 on June 30, 2023. KYCC determines whether a contract is a lease upon inception of the lease. KYCC maintains a distinction between finance and operating leases, which is substantially similar to the classification criteria for distinguishing between capital leases and operating leases in the previous lease guidance.

Pursuant to ASC Topic 842, arrangements meeting the definition of a lease are classified as operating or financing leases and are recorded on the balance sheets as both a right-of-use asset and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line rent expense over the lease term. For financing leases, interest on the lease liability and the amortization of the right-of-use asset



## KOREATOWN YOUTH AND COMMUNITY CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

results in front-loaded expense over the lease term. Variable lease expenses are recorded to rent expense as incurred.

In calculating the right-of-use assets and lease liabilities, KYCC elects to combine lease and non-lease components for all classes of assets currently under lease, KYCC excludes short-term leases having initial terms of twelve months or less from the new guidance as an accounting policy election and recognizes rent expense on short-term leases on a straight-line basis over the lease term for these leases.

### Note 3 - Property and Equipment

Property and equipment consist of the following as of June 30:

	2024	2023
Land	\$ 330,000	\$ 330,000
Building	1,581,032	1,581,032
Building improvements	889,953	819,717
Office equipment	84,010	68,096
Furniture and fixtures	34,584	2,400
Automobiles	458,452	458,222
	<u>3,378,031</u>	<u>3,259,467</u>
Less: accumulated depreciation	<u>(1,977,465)</u>	<u>(1,884,643)</u>
Property and equipment, net	<u>\$ 1,400,566</u>	<u>\$ 1,374,824</u>

Total depreciation expense amounted to \$160,624 and \$135,352 for the years ended June 30, 2024 and 2023, respectively.

### Note 4 - Investments in Limited Partnerships

KYCC's affordable housing buildings are held in limited partnerships. This structure is typical for affordable housing ownership and allows for the sale of equity interests for tax credits subscriptions. The sale of government-sponsored tax credits generates capital that is used to purchase and support the operations of affordable housing. A summary of KYCC's housing properties follows.

In 1992, KYCC assumed a \$200,000 note payable to the City of Los Angeles Community Development Department for a 1.0% interest in the Korean Youth Center, Limited Partnership. KYC, Ltd is a 19-unit building located on Wilton Place. The loan was paid off in September 2013. This limited partnership interest is reported as an investment by KYCC. As of December 31, 2023, per the federal partnership income tax return, the net equity of KYCC's investment in the limited partnership was \$314,399, decreased by \$3,681 of investment loss for the year ended December 31, 2023.

In 2011, KYCC acquired 0.005% and 0.05% general partner interests in Menlo Family Housing, L.P. and PHD Apartments, L.P., respectively. Menlo Family Housing, L.P. is a new-construction building with 60 units of affordable housing. PHD, L.P. consists of five existing apartment buildings in Koreatown having 83 subsidized units. Per its federal partnership income tax return, the net loss of KYCC's investment in Menlo Family Housing, L.P. was \$45, which increased the accumulated net loss to \$446. The net loss of KYCC's investment in PHD Apartments, L.P. was \$69, which increased the accumulated net loss to \$2,311 as of December 31, 2023.

# KOREATOWN YOUTH AND COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

On January 1, 2014, KYCC transferred the Reno Apartments building and related acquisition note payable, to Reno Apartments, L.P. in exchange for 0.05% equity interest in the limited partnership. Reno Apartments, L.P. holds an existing affordable housing building containing 47 studio apartments. As of December 31, 2023, per the federal partnership income tax return, the net loss of KYCC's investment in Reno Apartments, L.P. was \$46, which increased the accumulated net loss to \$426 as of December 31, 2023.

### Note 5 - Availability and Liquidity

KYCC has \$9,464,103 in financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$2,920,954, net accounts receivable of \$6,362,641, and grants receivable of \$209,675. The net assets of \$29,167 is subject to donor restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. As part of its liquidity management, KYCC has a policy to structure its financial assets to be available as general expenditures and related liabilities become due.

### Note 6 - Deferred Revenue

KYCC provides various services on behalf of governments and other NFP organizations and receives program service fees. Program service fees are recognized in the period in which the services are rendered. Revenues are recorded as deferred revenue to the extent that it has not been earned. Most program service fees are collected after the services are provided and the invoices are billed. Occasionally, grantors distribute the funds for their accounting periods, which does not correspond to KYCC's fiscal year. On June 30, 2024, deferred revenue of \$2,256,481 is the amount received but not earned yet.

### Note 7 - Leases

KYCC adopted ASC 842 "Leases" using the modified retrospective approach, electing the practical expedient that allows not to restate KYCC's comparative periods prior to the adoption of the standard on June 30, 2023.

Balance sheet information related to leases as of June 30:

<b>Operating leases</b>	2024	2023
<i>Assets</i>		
Operating lease right-of-use assets	\$ 1,382,865	\$ 1,624,717
<i>Liabilities</i>		
Current portion of operating lease liabilities	522,107	462,977
Operating lease liabilities	877,190	1,161,740
Total operating lease liabilities	\$ 1,399,297	\$ 1,624,717

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

<b>Finance leases</b>	2024	2023
<i>Assets</i>		
Finance lease right-of-use assets	\$ 170,115	\$ 94,423
Accumulated amortization	(39,150)	-
Finance lease right-of-use assets, net	\$ 130,965	\$ 94,423
<i>Liabilities</i>		
Current portion of finance lease liabilities	\$ 38,337	\$ 33,417
Finance lease liabilities	93,415	61,006
Total finance lease liabilities	\$ 131,752	\$ 94,423
Weighted average remaining lease term		
Operating leases	3.16 years	4.00 years
Finance leases	3.84 years	3.63 years
Weighted average discount rate		
Operating leases	3.00%	3.00%
Finance leases	3.00%	3.00%

Operating Leases

KYCC leases office space under agreements classified as operating leases that expire on various dates through 2029. KYCC's leases do not include any contingent rental payments, impose any financial restrictions, or contain any residual value guarantees. Certain of KYCC's leases include escalation clauses. Annual rent increases are included in the calculation of the operating lease right-of-use assets. Incremental borrowing rates used to discount future lease payments in calculating lease liabilities were estimated by reference to the rate on KYCC's line of credit. KYCC does not have any operating lease arrangements where it acts as a lessor.

The remaining maturities of operating leases are as follows:

Years ending June 30,	Amount
2025	\$ 556,991
2026	404,014
2027	388,240
2028 and thereafter	120,000
Total operating lease liabilities	1,469,245
Less: present value discount	(69,948)
Operating lease liabilities, net	1,399,297
Less: current portion of operating lease liabilities	(522,107)
Operating lease liabilities	\$ 877,190

Finance Leases

KYCC has a number of copier equipment leases that are classified as finance leases. Incremental borrowing rates used to discount future lease payments in calculating lease liabilities were estimated by reference to the rate on KYCC's line of credit. KYCC does not have any material finance leases where it acts as a lessor.

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

Finance lease right-of-use assets are included in other assets and the related liabilities are included as finance lease liabilities in the balance sheet.

The components of lease cost for finance leases were as follows:

	2024	2023
Amortization of finance right-of-use assets	\$ 39,149	\$ -
Interest on lease liabilities	3,126	-
Total finance lease cost	<u>\$ 42,275</u>	<u>\$ -</u>

The remaining maturities of finance leases, are as follows:

<u>Years ending June 30,</u>	<u>Amount</u>
2025	\$ 41,744
2026	35,410
2027	28,236
2028 and thereafter	34,251
Total finance lease liabilities	<u>139,641</u>
Less: present value discount	<u>(7,889)</u>
Finance lease liabilities, net	131,752
Less: current portion of finance lease liabilities	<u>(38,337)</u>
Finance lease liabilities	<u>\$ 93,415</u>

***Recourse Liability***

KYCC Solaris LLC assumes 10% of recourse payoff obligation of 1141 Crenshaw, L.P.'s construction loan in the amount of \$15,443,847 and \$11,153,430 as of June 30, 2024 and 2023 respectively, in the event permanent funding is not secured after the completion of the construction.

KYCC Oak LLC assumes 25% of recourse payoff obligation of Oak Apartments, L.P.'s construction loan in the amount of \$17,626,869 and \$5,207,142 as of June 30, 2024 and 2023 respectively, in the event permanent funding is not secured after the completion of the construction.

**Note 8 - Net Assets**

KYCC's net assets consist of net assets without donor restrictions and net assets with donor restrictions.

***Net assets with donor restriction***

The part of the net assets resulting (a) from contributions and other inflows of assets whose use by KYCC is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the KYCC pursuant to those stipulations, (b) from other asset enhancements and diminishment subject to the same kinds of stipulations, and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by the passage of time, or their fulfillment and removal by actions of KYCC pursuant to those stipulations. There were net assets with donor restrictions of \$29,167 and \$50,417 as of June 30, 2024 and 2023, respectively.

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

(With summarized information of Koreatown Youth and Community Center, Inc.  
for the year ended June 30, 2023)

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Net assets without donor restrictions

Net assets without donor restrictions include unrestricted, undesignated, board designated and the amount available for the support of KYCC's operations that are not donor restricted.

**Note 9 - Retirement Plan**

KYCC has a 401(k) plan covering substantially all employees meeting minimum eligibility requirements and contributes a discretionary percentage of salaries to the plan for the employees. For the years ended June 30, 2024 and 2023, KYCC matched 50% of the employees' contribution, up to 4% of their salaries. Total matching contributions amounted to \$218,904 and \$198,660, respectively for the years ended June 30, 2024 and 2023.

**Note 10 - Concentration of Credit Risk**

Financial instruments that potentially subject KYCC to credit risk consist primarily of cash and cash equivalent and accounts receivable. KYCC maintains its cash accounts with high-quality insured depository financial institutions. As of June 30, 2024, KYCC's cash balance, including short-term investment, exceeding the maximum insured amount totaled \$2,792,217.

**Note 11 - Line of Credit**

KYCC has lines of credit with Comerica Bank and China Trust Banking Corporation. The line of credit with China Trust Banking Corporation is an unsecured line of credit with a borrowing limit of \$200,000. The line of credit with Comerica Bank is secured by the property at 1140 Crenshaw Boulevard and has a borrowing limit of \$850,000. As of June 30, 2024 and 2023, the outstanding balances of the lines of credit were zero for both years.

**Note 12 - Subsequent Events**

KYCC has evaluated all subsequent events to the balance sheet date of June 30, 2024 through the date that the financial statements were available to be issued, which was date March 20, 2025 and has determined that there are no subsequent events that require disclosure under FASB ASC Topic 855, *Subsequent Events*.

# **SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2024

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
**COMBINING STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2024

	Subcontract CSPP-3223	CACFP Food Contract	Total CDE CD Contracts	Non-CDE Programs	Total
<b>Revenue and Support</b>					
Government contract:					
Child care and development programs {1}	\$ 222,367	\$ -	\$ 222,367	\$ -	\$ 222,367
Child care food program {2}	-	23,341	23,341	-	23,341
Subtotal government contracts	222,367	23,341	245,708	-	245,708
Unrestricted contributions and other Income	-	-	-	-	-
Family fees-certified children	-	-	-	-	-
Family fees-noncertified children	-	-	-	-	-
Other Revenue {3}	-	-	-	508,713	508,713
Total revenue and support	<u>\$ 222,367</u>	<u>\$ 23,341</u>	<u>\$ 245,708</u>	<u>\$ 508,713</u>	<u>\$ 754,421</u>
<b>Expenses</b>					
Salaries	\$ 106,718	\$ -	\$ 106,718	\$ 326,029	\$ 432,747
Employee Benefits	28,649	-	28,649	85,155	113,804
Books and Supplies	-	-	-	-	-
Other operating expenses	52,111	21,369	73,480	100,029	173,509
Building repairs and maintenance	-	-	-	-	-
Equipment Expense	-	-	-	-	-
Depreciation	16,104	-	16,104	44,178	60,282
General, administrative, and indirect	18,785	1,972	20,757	51,249	72,006
Total Expenses	<u>\$ 222,367</u>	<u>\$ 23,341</u>	<u>\$ 245,708</u>	<u>\$ 606,640</u>	<u>\$ 852,348</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,927)</u>	<u>\$ (97,927)</u>

{1} Revenue billed to Little Tokyo Sevice Center (LTSC) under CSPP subcontract.

{2} Revenue for Child and Adult Care Food Program (CACFP) contract with California CDE.

{3} Revenue from tuition, fees, Foundation and other private sources.

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
**SCHEDULE OF EXPENDITURES BY STATE CATAGORIES**  
Year Ended June 30, 2024

	<b>Subcontract CSPP-3223</b>	<b>CACFP Food Contract</b>	<b>Total CDE CD Contracts</b>	<b>Non-CDE Programs</b>	<b>Total</b>
<b>Expenditures</b>					
1000 Certificated salaries	\$ 42,900	\$ -	\$ 42,900	\$ 120,935	\$ 163,835
2000 Classified salaries	63,818	-	63,818	205,094	268,912
3000 Employee benefits	28,649	-	28,649	85,155	113,804
4000 Books and Supplies	-	-	-	-	-
5000 Services and other operating expenses	52,111	21,369	73,480	100,029	173,509
Depreciation on assets not purchasded with public funds	16,104	-	16,104	44,178	60,282
Indirect costs (a)	18,785	1,972	20,757	51,249	72,006
Total expenses claimed for reimbursement	<u>222,367</u>	<u>23,341</u>	<u>245,708</u>	<u>606,640</u>	<u>852,348</u>
Total supplemental expenses	-	-	-	-	-
Total expenditures	<u>\$ 222,367</u>	<u>\$ 23,341</u>	<u>\$ 245,708</u>	<u>\$ 606,640</u>	<u>\$ 852,348</u>

Notes:

(a) An indirect cost rate of 18.62% issued by the U.S. Department of the Interior negotiating on behalf of the U.S. Department of Treasury which is the cognizant agency. Per contract, only 10% is allowable to be reimbursed.

(b) Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease, purchase, acquisition, repair or renovation of early learning and cash facilities owned or leased by the contractor. No interest expense was claimed to a child development contract for the year ended June 30, 2024.

(c) All expenses claimed for reimbursement under a related rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. There were no related party rent expenses claimed for the year ended June 30, 2024

(d) Bad debt expense is unallowable unless it relates to uncollectible family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2024



**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
RECONCILIATION OF CDE PROGRAMS AND GAAP EXPENSE REPORTING  
Year Ended June 30, 2024

	<u>Subcontract CSPP-3223</u>	<u>CACFP Food Contract</u>	<u>Total CDE CD Contracts</u>	<u>Non-CDE Programs</u>	<u>Total</u>
<b>Expenses</b>					-
<b>Schedule of Expenditures by State Categories (CDE)</b>	\$ 222,367	\$ 23,341	\$ 245,708	\$ 606,640	\$ 852,348
<b>Adjustments to Reconcile Differences in Reporting</b>					
Depreciation on assets funded by CDE-CD1	-	-	-	-	-
Capitalized renovation and repairs expensed on AUD forms	-	-	-	-	-
Capitalized lease expense on AUD form	-	-	-	-	-
Capitalized carpeting expensed on supplemental AUD form	-	-	-	-	-
Capitalized equipment expensed on AUD form	-	-	-	-	-
Audit fees expensed on AUD forms (in advance of service)	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Combining Statement of Activities (GAAP)</b>	<u>\$ 222,367</u>	<u>\$ 23,341</u>	<u>\$ 245,708</u>	<u>\$ 606,640</u>	<u>\$ 852,348</u>

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
**SCHEDULE OF CLAIMED ADMINISTRATIVE COSTS**  
Year Ended June 30, 2024

Claimed Administrative Costs	Subcontract CSPP-3223	CACFP Food Contract	Total CDE CD Contracts	Non-CDE Programs	Total
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Employee benefits	-	-	-	-	-
Books and supplies	-	-	-	-	-
Services and other operating expenses	-	-	-	-	-
Depreciation on non -CDE-funded assets used in program	16,104	-	16,104	44,178	60,282
Indirect costs	18,785	1,972	20,757	51,249	72,006
Total	<u>\$ 34,889</u>	<u>\$ 1,972</u>	<u>\$ 36,861</u>	<u>\$ 95,427</u>	<u>\$ 132,288</u>

# **Audited Attendance and Fiscal Reports**

For the Year Ended June 30, 2024

Contractor Name: Koreatown Youth and Community Center

Contract Number: CSPP-3223

**California Department of Education  
Audited Enrollment, Attendance and Fiscal  
Report for California State Preschool Program**

Fiscal Year Ended: June 30, 2024

Vendor Code:

**Section 1 – Number of Counties Where Services are Provided**

Number of counties where the agency provided services to certified children (Form 1): 1

Number of counties where the agency provided mental health consultation services to certified children (Form 2):

Number of counties where the agency provided services to non-certified children (Form 3): 1

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4):

Total enrollment and attendance forms to attach: 2

**Section 2 – Days of Enrollment, Attendance and Operation**

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	4,802	64	4,866	3,847.7818
Total Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000
Days of Attendance (including MHCS)	4,110	0	4,110	N/A
Total Non-Certified Days of Enrollment	5,742	0	5,742	8,946.0000
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	244		244	N/A

**Section 3 – Revenue**

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs	23,341		23,341
County Maintenance of Effort (EC Section 8260)			0
American Rescue Plan Act (ARPA)			0
Other:			0
<b>TOTAL RESTRICTED INCOME</b>	<b>23,341</b>	<b>0</b>	<b>23,341</b>

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Preschool Reserve Account			0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Waived Family Fees for Certified Children (July – September)			0
Family Fees for Certified Children (October – June)			0
Interest Earned on Apportionment Payments			0
Unrestricted Income: Fees for Non-Certified Children	388,601		388,601
Unrestricted Income: Head Start			0
Other: Individual, corporate and foundation support	100,000		100,000
Other: Miscellaneous	20,112		20,112

**Section 4 - Reimbursable Expenses**

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)			0
Direct Payments to Subcontractors: Cost of Care Plus & One-Time Allocations Only			0
1000 Certificated Salaries	160,422		160,422
2000 Classified Salaries	272,325		272,325
3000 Employee Benefits	113,804		113,804
4000 Books and Supplies	7,804		7,804
5000 Services and Other Operating Expenses	165,705		165,705
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance	60,282		60,282
Start-up Expenses (service level exemption)			0
Indirect Costs (include in Total Administrative Cost)	72,006		72,006
<b>TOTAL REIMBURSABLE EXPENSES</b>	<b>852,348</b>	<b>0</b>	<b>852,348</b>

Does the agency have an indirect cost rate approved by its cognizant agency (Select YES or NO)?  Yes  No

Approved Indirect Cost Rate: 18.62

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)	72,006		72,006
Total Staff Training Cost (included in Reimbursable Expenses)	675		675

**Section 5 - Supplemental Funding**

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding			0
Other:			0
Other:			0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries			0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses			0
6000 Equipment / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Section 6 - Summary**

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	4,802	64	4,866
Days of Operation	244	0	244
Days of Attendance (including MHCS)	4,110	0	4,110
Total Certified Adjusted Days of Enrollment	N/A	N/A	3,847.7818
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	8,946.0000
Restricted Program Income	23,341	0	23,341
Transfer from Preschool Reserve Account	0	0	0
Family Fees for Certified Children (October - June)	0	0	0
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	852,348	0	852,348
Total Administrative Cost	72,006	0	145,300
Total Staff Training Cost	675	0	675
Non-Reimbursable Cost (State Use Only)	N/A	N/A	



**Contractor Name: KYCC, Subcontractor for LTSC Community Development Corp.**

**Contract Number: CSPP-3223**

**Section 7 – Auditor’s Assurances**

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 Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO):  Yes  No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO):  Yes  No

**Section 8 – Comments**

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

Contractor Name: Koreatown Youth and Community Center

Contract Number: CSPP-3223

**California State Preschool Program – Form 1  
Certified Children Days of Enrollment and Attendance**

Service County: Los Angeles

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years Old Full-time-plus			0	2.1240	0.0000
Three Years Old Full-time			0	1.8000	0.0000
Three Years Old Part-time	224		224	1.1401	255.3824
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time			0	1.0000	0.0000
Four Years and Older Part-time	1,229		1,229	0.6334	778.4486
Exceptional Needs Full-time-plus			0	2.8320	0.0000
Exceptional Needs Full-time			0	2.4000	0.0000
Exceptional Needs Part-time			0	1.5202	0.0000
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time	1,087	64	1,151	1.2000	1,381.2000
Dual Language Learner Part-time	2,262		2,262	0.6334	1,432.7508

Contractor Name: Koreatown Youth and Community Center

Contract Number: CSPP-3223

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6334	0.0000
Severely Disabled Full-time-plus			0	2.8320	0.0000
Severely Disabled Full-time			0	2.4000	0.0000
Severely Disabled Part-time			0	1.5202	0.0000
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT</b>	<b>4,802</b>	<b>64</b>	<b>4,866</b>	<b>N/A</b>	<b>3,847.7818</b>

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
<b>DAYS OF ATTENDANCE</b>	<b>4,110</b>		<b>4,110</b>	<b>N/A</b>	<b>N/A</b>

Contractor Name: Koreatown Youth and Community Center

Contract Number: CSPP-3223

**California State Preschool Program – Form 2  
Certified Children Receiving Mental Health Consultation Services  
Days of Enrollment and Attendance**

Service County: Los Angeles

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years Old Full-time-plus			0	2.2240	0.0000
Three Years Old Full-time			0	1.9000	0.0000
Three Years Old Part-time			0	1.2401	0.0000
Four Years and Older Full-time-plus			0	1.2800	0.0000
Four Years and Older Full-time			0	1.1000	0.0000
Four Years and Older Part-time			0	0.7334	0.0000
Exceptional Needs Full-time-plus			0	2.9320	0.0000
Exceptional Needs Full-time			0	2.5000	0.0000
Exceptional Needs Part-time			0	1.6202	0.0000
Dual Language Learner Full-time-plus			0	1.5160	0.0000
Dual Language Learner Full-time			0	1.3000	0.0000
Dual Language Learner Part-time			0	0.7334	0.0000

Contractor Name: Koreatown Youth and Community Center

Contract Number: CSPP-3223

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.3980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.2000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.7334	0.0000
Severely Disabled Full-time-plus			0	2.9320	0.0000
Severely Disabled Full-time			0	2.5000	0.0000
Severely Disabled Part-time			0	1.6202	0.0000
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>0.0000</b>

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
<b>DAYS OF ATTENDANCE</b>			<b>0</b>	<b>N/A</b>	<b>N/A</b>

Contractor Name: Koreatown Youth and Community Center

Contract Number: CSPP-3223

**California State Preschool Program – Form 3  
Non-Certified Children Days of Enrollment**

Service County: Los Angeles

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus			0	2.1240	0.0000
Toddlers (18 up to 36 months) Full-time	574		574	1.8000	1,033.2000
Toddlers (18 up to 36 months) Part-time			0	0.9900	0.0000
Three Years Old Full-time-plus			0	2.1240	0.0000
Three Years Old Full-time	3,431		3,431	1.8000	6,175.8000
Three Years Old Part-time			0	1.1401	0.0000
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time	1,737		1,737	1.0000	1,737.0000
Four Years and Older Part-time			0	0.6334	0.0000
Exceptional Needs Full-time-plus			0	2.8320	0.0000
Exceptional Needs Full-time			0	2.4000	0.0000
Exceptional Needs Part-time			0	1.5202	0.0000
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time			0	1.2000	0.0000
Dual Language Learner Part-time			0	0.6334	0.0000

Contractor Name: Koreatown Youth and Community Center

Contract Number: CSPP-3223

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6334	0.0000
Severely Disabled Full-time-plus			0	2.8320	0.0000
Severely Disabled Full-time			0	2.4000	0.0000
Severely Disabled Part-time			0	1.5202	0.0000
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT</b>	<b>5,742</b>	<b>0</b>	<b>5,742</b>	<b>N/A</b>	<b>8,946.0000</b>

Contractor Name: Koreatown Youth and Community Center

Contract Number: CSPP-3223

**California State Preschool Program – Form 4  
Non-Certified Children Receiving Mental Health Consultation Services  
Days of Enrollment**

Service County: Los Angeles

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus			0	2.2240	0.0000
Toddlers (18 up to 36 months) Full-time			0	1.9000	0.0000
Toddlers (18 up to 36 months) Part-time			0	1.0900	0.0000
Three Years Old Full-time-plus			0	2.2240	0.0000
Three Years Old Full-time			0	1.9000	0.0000
Three Years Old Part-time			0	1.2401	0.0000
Four Years and Older Full-time-plus			0	1.2800	0.0000
Four Years and Older Full-time			0	1.1000	0.0000
Four Years and Older Part-time			0	0.7334	0.0000
Exceptional Needs Full-time-plus			0	2.9320	0.0000
Exceptional Needs Full-time			0	2.5000	0.0000
Exceptional Needs Part-time			0	1.6202	0.0000
Dual Language Learner Full-time-plus			0	1.5160	0.0000
Dual Language Learner Full-time			0	1.3000	0.0000
Dual Language Learner Part-time			0	0.7334	0.0000



Contractor Name: Koreatown Youth and Community Center

Contract Number: CSPP-3223

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.3980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.2000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.7334	0.0000
Severely Disabled Full-time-plus			0	2.9320	0.0000
Severely Disabled Full-time			0	2.5000	0.0000
Severely Disabled Part-time			0	1.6202	0.0000
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>0.0000</b>

**REPORT IN ACCORDANCE  
WITH GOVERNMENT  
AUDITING STANDARDS**



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

3435 Wilshire Blvd., Suite 2240  
Los Angeles, CA 90010

Tel (213) 480 - 9100

Fax (213) 480 - 9107

[www.ckpcpas.com](http://www.ckpcpas.com)

OFFICES IN:

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INDEPENDENT AUDITORS' 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

To the Board of Directors  
Koreatown Youth and Community Center, 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 Koreatown Youth and Community Center, Inc. ("KYCC") which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2025.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered KYCC'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 KYCC's internal control. Accordingly, we do not express an opinion on the effectiveness of KYCC'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether KYCC'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 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*.

***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 entity'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.

CKP, LLP

Los Angeles, California  
March 20, 2025

**REPORT IN ACCORDANCE  
WITH TITLE 2 U.S. CODE OF  
FEDERAL REGULATIONS PART 200,  
UNIFORM ADMINISTRATIVE REQUIREMENTS,  
COST PRINCIPLES, AND  
AUDIT REQUIREMENTS FOR  
FEDERAL AWARDS**



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

3435 Wilshire Blvd., Suite 2240  
Los Angeles, CA 90010

Tel (213) 480 - 9100

Fax (213) 480 - 9107

[www.ckpcpas.com](http://www.ckpcpas.com)

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INDEPENDENT AUDITORS' 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

To the Board of Directors  
Koreatown Youth and Community Center, Inc.  
Los Angeles, California

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

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

We have audited Koreatown Youth and Community Center, Inc. ("KYCC") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of KYCC's major federal programs for the year ended June 30, 2024. KYCC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, KYCC complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of its major federal programs identified in the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2024.

***Basis for Opinion on Each 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 KYCC 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 each major federal program. Our audit does not provide a legal determination of KYCC'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 KYCC's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurances about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on KYCC'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 compliance 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 KYCC'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 those risks. Such procedures include examining, on a test basis, evidence regarding KYCC'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 KYCC'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 KYCC'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 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 Auditors' 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. 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.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of KYCC as of and for the year ended June 30, 2024 and have issued our report thereon dated March 20, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

CKP, LLP

Los Angeles, California  
March 20, 2025



**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2024

<u>Federal Grantor / Pass-Through Grantor / Program</u>	<u>CFDA Number</u>	<u>Agency Number</u>	<u>Federal Expenditures</u>
<u>US Department of Housing and Urban Development (HUD)</u>			
Pass through:			
Los Angeles Homeless Services Authority Emergency Solutions Grant (ESG)	14.231	AD-TLS-N-007	\$ 419,182
City of Los Angeles, Community Investment for Families Department Community Development Block Grants /Entitlement Grants (CDBG)	14.218	C-143855	<u>358,206</u>
Total US Department of Housing and Urban Development			777,388
<u>US Department of Justice</u>			
Pass through:			
Center for the Pacific Asian Family, Inc. Consolidated and Technical Assistance Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies	16.888	151JOVW-21-GG-00636-CY	<u>45,357</u>
Total US Department of Justice			45,357
<u>US Department of the Treasury</u>			
Low Income Taxpayer Clinics	21.008	22-LITC0560-01-00	59,401
Low Income Taxpayer Clinics Subtotal	21.008	23-LITC0560-02-01	<u>86,665</u> 146,066
Volunteer Income Tax Assistance Matching Grant	21.009	21VITA0157	268,031
Volunteer Income Tax Assistance Matching Grant Subtotal	21.009	24VITA0132	<u>209,498</u> 477,529
Pass through:			
Long Beach Community College District Coronavirus State and Local Fiscal Recovery Funds	21.027*	LBCCD CN 99821.5	33,332
Pass through:			
Los Angeles County Department of Consumer Affairs Coronavirus State and Local Fiscal Recovery Funds	21.027*	CA-23-002	<u>1,094,558</u>
Total US Department of Treasury - Internal Revenue Service			1,751,485
<u>US Department of Transportation (USDT)</u>			
Pass through:			
Southern California Association of Governments Koreatown Audit Walks	20.600	M-018-23	<u>33,627</u>
Total Department of Transportation			33,627

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2024

US Department of Health and Human Services (DHHS)

Pass through:

County of Los Angeles, Department of Children and Family Services Partnerships for Families	93.556	23-01-10	382,234
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County of Los Angeles, Department of Children and Family Services through a sub-recipient agreement with Special Services for Groups Prevention and Aftercare	93.556	KYCC FY 21-22	<u>80,000</u>
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Subtotal			<u>462,234</u>
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Pass through:

California Department of Social Services, Office of Child Abuse Prevention. Pass through Center for the Pacific-Asian Family, Inc. Child Abuse and Neglect State Grants	93.669		<u>9,914</u>
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Pass through:

County of Los Angeles - Department of Public Health Block Grants for Prevention and Treatment of Substance Abuse	93.959*	PH-003848-11	422,490
Block Grants for Prevention and Treatment of Substance Abuse	93.959*	PH-004394-W2	741,338
Block Grants for Prevention and Treatment of Substance Abuse	93.959*	PH-004394-W1	<u>342,660</u>

Subtotal			<u>1,506,488</u>
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Pass through:

Sierra Health Foundation Block Grants for Community Health Services	93.958	CA23BHR0527	61,571
Substance Abuse and Treatment Block Grant	93.959*	CA23BHR0527	<u>61,571</u>

123,142

City of Los Angeles, Community Investment for Families Department Community Services Block Grants (CSBG)	93.569	C-143855	<u>251,888</u>
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Total US Department of Health and Human Services			2,353,666
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Small Business Administration (SBA)

Community Navigator Pilot Program	59.077	SBAHQ22CNP0030	<u>341,324</u>
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Total Small Business Administration			341,324
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US Department of Agriculture (USDA)

Pass through:

California Department of Social Services Child and Adult Care Food Program	10.558	04995-CACFP19-NP-IC	<u>23,341</u>
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Total US Department of Agriculture			<u>23,341</u>
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Total Federal Awards			<u>\$ 5,326,188</u>
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\* : Tested as Major Program

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2024

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Koreatown Youth and Community Center, Inc. ("KYCC") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule 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 KYCC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of KYCC.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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.

**Note 3 - Indirect Cost Rate**

KYCC has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2024

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

Significant deficiency (ies) identified not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_X\_\_\_ None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

**Federal Awards**

Internal control over major programs:

Material weakness (es) identified? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

Significant deficiency (ies) identified not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_X\_\_\_ None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

**Identification of Major Programs:**

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.959	Block Grants for Substance Use Prevention, Treatment and Recovery Services
Dollar threshold used to distinguish between type A and type B programs: <span style="float: right;">\$ 750,000</span>	
Auditee qualified as low-risk auditee?	___X___ Yes    _____ No

**KOREATOWN YOUTH AND COMMUNITY CENTER, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2024

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. No Current Year Findings
2. No Prior Year Findings

**SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None