

*LOS ANGELES NEIGHBORHOOD  
INITIATIVE, INC.  
(A California not-for-profit corporation)*

*AUDITED FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2022*

**LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.**  
*(A California not-for-profit corporation)*

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# JEFFREY A. HILL CPA, INC.

19602 Fariman Drive, Carson, CA 90746 • Phone: (310) 749-1014

To the Board of Directors  
**Los Angeles Neighborhood Initiative, Inc.**  
Los Angeles, California

## INDEPENDENT AUDITOR'S REPORT

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Los Angeles Neighborhood Initiative, Inc.** which comprise the statement of financial position as of September 30, 2022, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the organization's 2021 financial statements and in our report dated June 3, 2022 an unqualified opinion was expressed on those financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Los Angeles Neighborhood Initiative, Inc.** as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 **Los Angeles Neighborhood Initiative, Inc.** and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

#### **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 **Los Angeles Neighborhood Initiative, Inc.** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

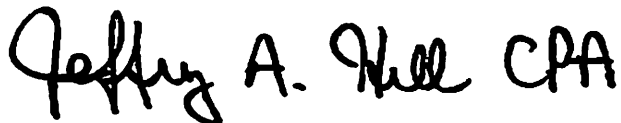
### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it occurs. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

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.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 1, 2023 on our consideration of **Los Angeles Neighborhood Initiative, Inc.'s**, internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Handwritten signature of Jeffrey A. Neal CPA in black ink.

Carson, California  
June 1, 2023

**LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.**

**STATEMENT OF FINANCIAL POSITION**

At September 30, 2022

(With comparative totals for the year ended September 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,315,253	\$ 906,253
Cash and cash equivalents-restricted to program use	472,622	596,741
Cash held as fiscal agent	1,032,312	1,032,312
Accounts receivable-government grants	349,612	-
<b>Total current assets</b>	<u>3,169,799</u>	<u>2,535,306</u>
<b>OTHER ASSETS:</b>		
Security deposit	5,175	5,175
<b>Total assets</b>	<u>\$ 3,174,974</u>	<u>\$ 2,540,481</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 258,087	\$ -
Cash held as fiscal agent	1,032,312	1,032,312
Accrued vacation	61,332	52,921
Line of credit (Note 3)	15,246	40,066
PPP loan	-	95,492
<b>Total current liabilities</b>	<u>1,366,977</u>	<u>1,220,791</u>
<b>Total liabilities</b>	<u>1,366,977</u>	<u>1,220,791</u>
<b>NET ASSETS</b>		
<b>NET ASSETS:</b>		
Without donor restrictions	1,802,903	1,314,596
With donor restrictions	5,094	5,094
<b>Total net assets</b>	<u>1,807,997</u>	<u>1,319,690</u>
<b>Total liabilities and net assets</b>	<u>\$ 3,174,974</u>	<u>\$ 2,540,481</u>

The accompanying notes are an integral part of these financial statements.

**LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.**  
**STATEMENT OF ACTIVITIES**  
For the year ended September 30, 2022  
(With comparative totals for the year ended September 30, 2021)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>2022</u>	<u>2021</u>
<b>SUPPORT AND REVENUES:</b>				
Support:				
Grants and contracts-administration	\$ 60,171	\$ -	\$ 60,171	\$ 292,012
Grants and contracts-program services	2,351,532	-	2,351,532	1,725,743
PPP loan forgiveness	95,492	-	95,492	-
Investment income	3	-	3	10
	<u>2,507,198</u>	<u>-</u>	<u>2,507,198</u>	<u>2,017,765</u>
<b>Total support and revenues</b>				
<b>EXPENDITURES:</b>				
Program services	1,531,443	-	1,531,443	1,643,564
Administrative	487,448	-	487,448	373,990
	<u>2,018,891</u>	<u>-</u>	<u>2,018,891</u>	<u>2,017,554</u>
<b>Total expenditures</b>				
<b>CHANGES IN NET ASSETS</b>	488,307	-	488,307	211
Net assets, beginning of the year	<u>1,314,596</u>	<u>5,094</u>	<u>1,319,690</u>	<u>1,319,479</u>
<b>Net assets, end of the year</b>	<u>\$ 1,802,903</u>	<u>\$ 5,094</u>	<u>\$ 1,807,997</u>	<u>\$ 1,319,690</u>

The accompanying notes are an integral part of these financial statements.

**LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENDITURES**  
For the year ended September 30, 2022  
(With comparative totals for the year ended September 30, 2021)

	Program Total	Admin. Total	Grand Total 2022	Grand Total 2021
Pre-construction costs (Note 6)	\$ 309,794	\$ -	\$ 309,794	\$ 294,522
Construction management	7,446	-	7,446	51,430
Construction costs (Note 7)	703,803	-	703,803	451,466
Salaries	318,852	215,305	534,157	526,157
Payroll taxes	24,841	16,957	41,798	44,327
Employee retirement	5,565	7,808	13,373	9,524
Dental	4,729	1,690	6,419	1,464
Employee relations	-	3,218	3,218	3,344
Events	12,448	130	12,578	98,870
Payroll fees	-	867	867	983
Bank charges	300	1,791	2,091	2,440
Interest	-	2,421	2,421	4,343
Subscriptions and dues	13	6,865	6,878	5,290
Publications	227	1,402	1,629	1,206
Equipment	5,547	13,190	18,737	7,375
Insurance-group medical	30,149	25,422	55,571	67,755
Insurance-general	3,201	10,938	14,139	12,874
Insurance-workers compensation	854	4,455	5,309	3,049
Meetings	2,785	1,082	3,867	106
Office supplies	970	5,583	6,553	2,408
Outside services	14,551	45	14,596	67,531
Postage	1,425	1,528	2,953	348
Rent	14,500	49,320	63,820	89,003
Telephone	-	5,066	5,066	2,592
Travel	4,109	7,359	11,468	2,446
Social media	10,370	-	10,370	19,226
Training and seminars	-	2,405	2,405	3,851
Accounting and auditing fees	7,500	60,500	68,000	67,250
Legal	1,200	9,423	10,623	6,666
Consultants	-	-	-	104,250
Printing	3,160	1,725	4,885	10,725
Graphic design	29,660	119	29,779	10,394
Transportation stipend	4,275	2,780	7,055	3,197
IT supplies	7,082	10,611	17,693	12,475
IT repairs and maintenance	-	6,445	6,445	417
Professional services	2,087	10,238	12,325	4,750
Other expenses	-	760	760	6,000
LANI maintenance match fund	-	-	-	17,500
<b>Total expenditures</b>	<b>\$ 1,531,443</b>	<b>\$ 487,448</b>	<b>\$ 2,018,891</b>	<b>\$ 2,017,554</b>

The accompanying notes are an integral part of these financial statements.

**LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.**  
**STATEMENT OF CASH FLOWS**  
For the year ended September 30, 2022  
(With comparative totals for the year ended September 30, 2021)

	2022	2021
<b>Cash flows from operating activities:</b>		
Changes in net assets	\$ 488,307	\$ 211
<b>Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:</b>		
PPP loan forgiveness	(95,492)	-
<b>Change in operating assets and liabilities:</b>		
(Increase) decrease in assets		
Accounts receivable-government grants	(349,612)	585,091
Increase (decrease) in liabilities		
Accounts payable	258,087	(171,187)
Accrued vacation	8,411	(13,023)
	<b>309,701</b>	<b>401,092</b>
<b>Cash flows from financing activities:</b>		
PPP loan proceeds	-	95,492
Net principle payments on line of credit	(24,820)	(5,183)
	<b>(24,820)</b>	<b>90,309</b>
<b>Net cash (used by) provided by financing activities</b>		
	<b>284,881</b>	<b>491,401</b>
<b>Increase in cash</b>		
	<b>284,881</b>	<b>491,401</b>
Cash and cash equivalents - beginning of the year	1,502,994	1,011,593
	<b>\$ 1,787,875</b>	<b>\$ 1,502,994</b>
<b>Cash and cash equivalents - end of the year</b>		
	<b>\$ 1,787,875</b>	<b>\$ 1,502,994</b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Cash paid for interest expense	\$ 2,421	\$ 4,343
	<b>\$ 2,421</b>	<b>\$ 4,343</b>
<b>CASH RECONCILIATION:</b>		
Cash and cash equivalents	\$ 1,315,253	\$ 906,253
Cash and cash equivalents-restricted for program use	472,622	596,741
	<b>\$ 1,787,875</b>	<b>\$ 1,502,994</b>
<b>Total cash and cash equivalents</b>		
	<b>\$ 1,787,875</b>	<b>\$ 1,502,994</b>

The accompanying notes are an integral part of these financial statements.

# ***LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.***

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 1 - ORGANIZATION AND OPERATIONS OF THE CORPORATION**

The Los Angeles Neighborhood Initiative, Inc. is organized as a not-for-profit corporation for the purpose of stimulating community-driven neighborhood revitalization in economically challenged communities. The Los Angeles Neighborhood Initiative, Inc. focuses on revitalizing transit operations, creating livable public spaces, stimulating private investments, and promoting neighborhood businesses and jobs. The Los Angeles Neighborhood Initiative, Inc. facilitates community participation and decision-making, and promotes public/private partnerships that result in catalytic main street projects. One significant event that Los Angeles Neighborhood Initiative, Inc. has provided to stimulate community-driven neighborhood revitalization is the annual LANI Community Forum. During fiscal year 2021-22, the Forum moved to a virtual rather than in-person platform.

### **NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

#### **BASIS OF ACCOUNTING**

The accompanying financial statements are prepared on the accrual basis in accordance with the AICPA's Audit and Accounting Guide, "Not-for-Profit Organizations" which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Los Angeles Neighborhood Initiative, Inc. These net assets may be used at the discretion of Los Angeles Neighborhood Initiative, Inc.'s management and the board of directors. Also, contributions that are restricted by the donor are reported as increases in net assets Without Donor Restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Net assets with Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

These notes are an integral part of the preceding financial statements.

***LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.***

NOTES TO FINANCIAL STATEMENTS

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**REVENUE RECOGNITION**

Revenue from government grants is recorded as net assets without donor restrictions when received. Revenue is dependent upon government policies and is subject to audit that could result in retroactive adjustments. Management believes that it has complied with the applicable criteria.

**ACCOUNTS RECEIVABLE**

Accounts receivable is unsecured non-interest-bearing amounts due from government grantors for cost reimbursement or performance based grants. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

**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 may affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOT-FOR-PROFIT STATUS**

The Los Angeles Neighborhood Initiative, Inc. is a not-for-profit organization that is exempt from Federal and state income taxes under the Internal Revenue Code Section 501(c) (3) and the California State Revenue and Taxation Code 23701 (d) except on net income derived from unrelated business activities. The Los Angeles Neighborhood Initiative, Inc.'s management believes that it has support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Los Angeles Neighborhood Initiative, Inc.'s Forms 990, Return of Organization Exempt from Income Tax for the years ending September 30, 2022, 2021, 2020 and 2019 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**CASH AND CASH EQUIVALENTS**

The Los Angeles Neighborhood Initiative, Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

These notes are an integral part of the preceding financial statements.

**LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**OFFICE FURNITURE AND EQUIPMENT**

Office furniture and equipment acquired is considered to be owned by the Los Angeles Neighborhood Initiative, Inc. while used in the program for which it was purchased or in other future authorized programs. However, the government grantor(s) have a reversionary interest in the office furniture and equipment, its disposition as well as the ownership of any proceeds therefrom is subject to government regulations. Office furniture and equipment having a unit value of \$1,000 or more, and a useful life of two years or more were capitalized.

**FUNCTIONAL EXPENSES**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited on the basis of management's estimates. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for overall support and direction of Los Angeles Neighborhood Initiative, Inc.

**COMPARATIVE FINANCIAL INFORMATION**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Los Angeles Neighborhood Initiative, Inc.'s financial statements for the year ended September 30, 2021, from which the summarized information was derived.

**NOTE 3 - LINE OF CREDIT**

Los Angeles Neighborhood Initiative, Inc. has an unsecured, \$99,000 line of credit from a bank. The terms for repayment require monthly interest only payments and the interest rate is prime plus 6.75%. The outstanding principal portion of the line of credit is due upon demand. As of September 30, 2022 and 2021, the outstanding balance for this line of credit was \$15,246 and \$40,066 respectively.

These notes are an integral part of the preceding financial statements.

**LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 4 - RETIREMENT PLAN**

Los Angeles Neighborhood Initiative, Inc. has a Simple Individual Retirement Account (Simple IRA) plan that covers all full-time employees upon being hired. Under the terms of the Simple IRA plan, all participating employees receive a matching contribution from the Los Angeles Neighborhood Initiative, Inc. of 2% of their annual salary.

Each employee is 100% vested to all contributions upon enrollment into the Simple IRA plan. Los Angeles Neighborhood Initiative, Inc.'s total contribution to the plan for the years ended September 30, 2022 and 2021 were \$13,373 and \$9,524 respectively.

**NOTE 5 - CONCENTRATION OF RISK**

The Los Angeles Neighborhood Initiative, Inc. maintains bank accounts at one bank. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Total cash exceeded the federally insured limits by \$2,632,128 and \$2,396,039 as of September 30, 2022 and 2021 respectively. Management believes that the Los Angeles Neighborhood Initiative, Inc. is not exposed to any significant credit risk related to cash because of the solvency of the bank in which these funds are held.

**NOTE 6 - PRE-CONSTRUCTION COSTS**

The pre-construction cost consists of the following:

<u>Description</u>	<u>9/30/22</u>	<u>9/30/21</u>
Design/engineering	\$ 294,724	\$ 294,143
Permitting	<u>15,070</u>	<u>379</u>
Total	<u>\$ 309,794</u>	<u>\$ 294,522</u>

These notes are an integral part of the preceding financial statements.

**LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 7 - CONSTRUCTION COSTS**

The construction cost consists of the following:

<u>Description</u>	<u>9/30/22</u>	<u>9/30/21</u>
Hardscape	\$ 6,732	\$ 73,485
Art	106,048	48,620
General conditions/mobilization	-0-	2,889
Maintenance	291,033	84,167
Signage/Banners/Flags	24,110	13,085
Electrical/lighting	56,552	4,376
Sidewalks	-0-	37,214
Street furniture	3,626	64,056
Other	4,500	539
Total hardscape costs	<u>492,601</u>	<u>328,431</u>
Tree trimming	209,953	32,969
Landscape	<u>1,249</u>	<u>90,066</u>
Total landscape costs	<u>211,202</u>	<u>123,035</u>
Total	\$ <u>703,803</u>	\$ <u>451,466</u>

**NOTE 8 - LIQUIDITY AND AVAILABILTY OF RESOURCES**

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 1,787,875
Accounts receivable	<u>349,612</u>
Total financial assets	\$ <u>2,137,487</u>

In addition to the financial assets listed above to meet general operating expenses over the next year, Los Angeles Neighborhood Initiative, Inc. operates with a balanced budget and anticipates covering its general operating expenses by collection of revenues and support. Los Angeles Neighborhood Initiative, Inc. reviews its financial position on a regular basis to ensure adequate financial assets are available to meet general operating expenses.

These notes are an integral part of the preceding financial statements.

***LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.***

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - SUBSEQUENT EVENT**

The Los Angeles Neighborhood Initiative, Inc.'s management has evaluated subsequent events for the period from September 30, 2022 through June 1, 2023, the date the financial statements were available to be issued. Management identified the following event that requires disclosure or that would have an impact on the financial statements.

The line of credit mentioned in Note 3 was paid in full as of the date of this audit report.

***SUPPLEMENTARY INFORMATION SECTION REQUIRED BY  
GOVERNMENT AUDITING STANDARDS***

# JEFFREY A. HILL CPA, INC.

19602 Fariman Drive, Carson, CA 90746 • Phone: (310) 749-1014

To the Board of Directors  
**Los Angeles Neighborhood Initiative, Inc.**  
Los Angeles, California

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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 **Los Angeles Neighborhood Initiative, Inc.** which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenditures and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 1, 2023.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **Los Angeles Neighborhood Initiative, Inc.**'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 **Los Angeles Neighborhood Initiative, Inc.**'s internal control. Accordingly, we do not express an opinion on the effectiveness of **Los Angeles Neighborhood Initiative, Inc.**'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 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 **Los Angeles Neighborhood Initiative, Inc.**'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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.

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.

Jeffrey A. Hill CPA

Carson, California  
June 1, 2023

**LOS ANGELES NEIGHBORHOOD INITIATIVE, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS:**

Type of auditor’s report issued **Unmodified**

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

Material weakness identified **No**  
Significant deficiency identified **None reported**  
Noncompliance material to financial statements noted **No**

**FEDERAL AWARDS:**

Internal control over major federal programs:  
Material weakness identified **See A below.**  
Significant deficiency identified **See A below.**

Type of auditor’s report issued on compliance for major federal programs **See A below.**

Any audit findings disclosed that are required to be Reported in accordance with 2CFR 200.516(a) **See A below.**

**IDENTIFICATION OF MAJOR FEDERAL PROGRAMS:**

**CFDA No. Name of Program Expenses**

**See A below. N/A**

Dollar threshold to distinguish between type A and type B programs: **\$750,000**

Auditee qualified as a low risk auditee **See A below.**

**A) These items are not applicable because LANI did not have a single audit because Federal expenditures was less than \$750,000.**