

**Audited Financial Statements and
Supplementary Information**



June 30, 2018 and 2017

Quigley & Miron

826LA
Audited Financial Statements and Supplementary Information
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June 30, 2018 and 2017

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Independent Auditor's Report

Board of Directors
826LA
Los Angeles, California

We have audited the accompanying financial statements of 826LA, a nonprofit organization, which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

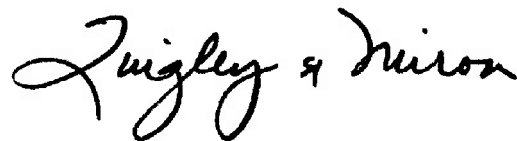
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 826LA as of June 30, 2018 and 2017, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Los Angeles, California
February 15, 2019



826LA
Statement of Financial Position
June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 2,305,517	\$ 67,500	\$ 2,373,017
Contributions and grants receivable			
—Note 2	126,100	186,959	313,059
Inventory	31,117		31,117
Prepaid expenses	33,664		33,664
	<u>2,496,398</u>	<u>254,459</u>	<u>2,750,857</u>
Total Current Assets			
Non-Current Assets			
Property and equipment, net—Note 3	1,479		1,479
Deposits	30,995		30,995
	<u>32,474</u>		<u>32,474</u>
Total Non-Current Assets			
	<u>\$ 2,528,872</u>	<u>\$ 254,459</u>	<u>\$ 2,783,331</u>
Total Assets			
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued expenses	\$ 50,622	\$	\$ 50,622
Accrued paid time off	36,386		36,386
	<u>87,008</u>		<u>87,008</u>
Total Liabilities			
Net Assets			
Unrestricted	2,441,864		2,441,864
Temporarily restricted—Note 6		254,459	254,459
	<u>2,441,864</u>	<u>254,459</u>	<u>2,696,323</u>
Total Net Assets			
Total Liabilities and Net Assets	<u>\$ 2,528,872</u>	<u>\$ 254,459</u>	<u>\$ 2,783,331</u>

See notes to financial statements.

826LA
Statement of Financial Position
June 30, 2017

	Unrestricted	Temporarily Restricted	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 2,268,857	\$	\$ 2,268,857
Contributions and grants receivable			
—Note 2	82,481	294,430	376,911
Inventory	34,645		34,645
Prepaid expenses	26,911		26,911
Total Current Assets	2,412,894	294,430	2,707,324
Non-Current Assets			
Property and equipment, net—Note 3	12,053		12,053
Deposits	30,284		30,284
Total Non-Current Assets	42,337		42,337
Total Assets	\$ 2,455,231	\$ 294,430	\$ 2,749,661
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued expenses	\$ 43,656	\$	\$ 43,656
Accrued paid time off	35,877		35,877
Deferred lease incentive—Note 4	1,555		1,555
Total Liabilities	81,088		81,088
Net Assets			
Unrestricted	2,374,143		2,374,143
Temporarily restricted—Note 6		294,430	294,430
Total Net Assets	2,374,143	294,430	2,668,573
Total Liabilities and Net Assets	\$ 2,455,231	\$ 294,430	\$ 2,749,661

See notes to financial statements.

826LA
Statement of Activities
Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenue			
Contributions and grants			
Foundations	\$ 182,619	\$ 259,075	\$ 441,694
Individuals, corporations, and government agencies	356,262	203,902	560,164
Fundraising events, net—Note 8	539,225		539,225
Contracted services	67,889		67,889
Store sales, net—Note 9	32,963		32,963
Interest and dividends	14,116		14,116
	<hr/>	<hr/>	<hr/>
Total Public Support and Revenue	1,193,074	462,977	1,656,051
Net assets released from restrictions	502,948	(502,948)	
	<hr/>	<hr/>	<hr/>
Total Public Support, Revenue, and Net Assets Released from Restrictions	1,696,022	(39,971)	1,656,051
Expenses			
Program services	1,220,794		1,220,794
Management and general	138,932		138,932
Fundraising	268,575		268,575
	<hr/>	<hr/>	<hr/>
Total Expenses	1,628,301		1,628,301
Change in Net Assets	67,721	(39,971)	27,750
Net Assets at Beginning of Year	2,374,143	294,430	2,668,573
	<hr/>	<hr/>	<hr/>
Net Assets at End of Year	\$ 2,441,864	\$ 254,459	\$ 2,696,323

See notes to financial statements.

826LA
Statement of Activities
Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenue			
Contributions and grants			
Foundations	\$ 342,521	\$ 321,000	\$ 663,521
Individuals, corporations, and government agencies	418,492	111,814	530,306
Fundraising events, net—Note 8	396,098		396,098
Contracted services	73,600		73,600
Store sales, net—Note 9	54,381		54,381
Interest and dividends	4,710		4,710
	<hr/>	<hr/>	<hr/>
Total Public Support and Revenue	1,289,802	432,814	1,722,616
Net assets released from restrictions	453,044	(453,044)	
	<hr/>	<hr/>	<hr/>
Total Public Support, Revenue, and Net Assets Released from Restrictions	1,742,846	(20,230)	1,722,616
Expenses			
Program services	1,111,767		1,111,767
Management and general	111,926		111,926
Fundraising	206,908		206,908
	<hr/>	<hr/>	<hr/>
Total Expenses	1,430,601		1,430,601
Change in Net Assets	312,245	(20,230)	292,015
Net Assets at Beginning of Year	2,061,898	314,660	2,376,558
	<hr/>	<hr/>	<hr/>
Net Assets at End of Year	\$ 2,374,143	\$ 294,430	\$ 2,668,573

See notes to financial statements.

826LA
Statements of Cash Flows
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 27,750	\$ 292,015
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,574	10,574
Changes in operating assets and liabilities:		
Contributions and grants receivable	63,852	(126,184)
Inventory	3,528	434
Prepaid expenses	(6,753)	(10,745)
Deposits	(711)	(686)
Accounts payable and accrued expenses	6,966	1,145
Accrued paid time off	509	9,544
Deferred lease incentive	(1,555)	(9,018)
	<u>104,160</u>	<u>167,079</u>
Net Cash Provided by Operating Activities	104,160	167,079
Net Increase in Cash and Cash Equivalents	104,160	167,079
Cash and Cash Equivalents at Beginning of Year	<u>2,268,857</u>	<u>2,101,778</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 2,373,017</u></u>	<u><u>\$ 2,268,857</u></u>
Supplementary Disclosures		
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest	\$ -	\$ -

See notes to financial statements.

826LA
Notes to Financial Statements
June 30, 2018 and 2017

Note 1—Nature of Activities and Significant Accounting Policies

Nature of Activities—826LA is a California nonprofit corporation, established in 2005 for the purpose of supporting students ages 6 to 18 and their teachers in the development of the students' creative and expository writing skills. 826LA's services are structured based on a recognition that great leaps in learning through one-on-one attention foster the development of strong writing skills that are fundamental to the student's future success. Through 826LA's two Los Angeles-based locations in Echo Park and Mar Vista, a newly opened Writers' Room on the campus of Manual Arts High School, and its in-service programs located at schools throughout the county, 826LA provides tutoring, evening and weekend workshops, in-school writing support, field trips, and assistance with student publications. 826LA's programs are designed to be challenging and enjoyable for students and teachers, and seek to strengthen each student's ability to express ideas effectively, creatively, confidently, and in his or her individual voice.

Financial Statement Presentation—The financial statements are prepared on the accrual basis of accounting. 826LA recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified on the existence or absence of donor-imposed restrictions. The net assets of 826LA and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of 826LA.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met either by actions of 826LA and/or passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently restricted net assets—Net assets that are restricted by the donors for investment in perpetuity. The investment income generated from these funds is available for general support of 826LA's programs and operations. 826LA had no permanently restricted net assets at June 30, 2018 and 2017.

Income Taxes—826LA is a California nonprofit public benefit corporation that serves charitable and educational purposes and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. In addition, 826LA has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered '*more likely than not*' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for tax liability is not necessary at June 30, 2018 and 2017. Generally, 826LA's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

826LA

Notes to Financial Statements—Continued

Note 1—Nature of Activities and Significant Accounting Policies—Continued

Cash and Cash Equivalents—826LA considers highly liquid investments with a maturity of less than three months when purchased to be cash equivalents.

Investments—Investments in securities are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income, gains, and losses are reported as unrestricted income unless use of the earnings is restricted by the donor.

Inventory—Inventory is carried at cost and consists of goods ready for resale at 826LA's Time Travel Mart locations in Echo Park (on Sunset Boulevard) and Mar Vista (on Venice Boulevard). Inventory includes books, publications, posters, shirts, and other time travel related merchandise designed to promote the education and creative process of students served by 826LA. Revenue from store sales is recognized upon receipt of payment for products sold.

Property and Equipment—Property and equipment is stated at cost when purchased, or at estimated fair market value at the date of bequest or gift. Depreciation is provided using the straight-line method over the estimated useful life of the related asset, principally 5 years. Amortization of equipment purchased under capital lease obligations is included in depreciation expense. It is 826LA's policy to expense items purchased or donated with values less than \$5,000. As of June 30, 2018 and 2017, 826LA did not have any property or equipment obtained pursuant to gifts or capital leases.

Concentrations of Credit Risk—Financial instruments which potentially subject 826LA to concentrations of credit risk consist of cash and cash equivalents, and contributions and grants receivable.

826LA places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, such balances of cash and cash equivalents are in excess of the FDIC coverage limits. Management regularly reviews the financial stability of its cash depositories and deems the risk of loss due to these concentrations to be minimal.

Contributions and grants receivable are due from a variety of foundations, corporations, government agencies, and individuals well-known to 826LA, with favorable past payment histories. 826LA's management has assessed the credit risk associated with these contributions and grants receivable and has determined that an allowance for potentially uncollectible amounts is not necessary.

Contracted Services—Contracted services revenue is recognized at the rendering of services.

Donated Services—Donated services are not reflected in the accompanying financial statements as they do not meet the criteria for recognition under current accounting standards. In order to expand the reach of its programs, 826LA utilizes the services of a substantial number of volunteers who have donated a significant number of hours to 826LA's program services, management, and fundraising activities. During the years ended June 30, 2018 and 2017, 826LA's volunteer network donated 20,039 service hours valued at \$582,935, and 22,035 service hours valued at \$627,116, respectively. These valuations are based on an estimated rate of volunteer time of \$29.09 per hour in 2018, and \$28.46 per

Note 1—Nature of Activities and Significant Accounting Policies—Continued

hour in 2017, as computed by Independent Sector, a leading resource and research organization for the nonprofit industry.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications—Certain 2017 amounts have been reclassified to conform with the 2018 financial statement presentation.

Note 2—Contributions and Grants Receivable

Contributions and grants receivable at June 30, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Foundations	\$ 82,525	\$ 221,400
Government agencies	125,384	42,253
Individuals and corporations	105,150	113,258
Totals	<u>\$ 313,059</u>	<u>\$ 376,911</u>

Note 3—Property and Equipment, Net

Net property and equipment at June 30, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 78,653	\$ 78,653
Leasehold improvements	227,904	227,904
	306,557	306,557
Less accumulated depreciation	(305,078)	(294,504)
Property and Equipment, Net	<u>\$ 1,479</u>	<u>\$ 12,053</u>

826LA

Notes to Financial Statements—Continued

Note 4—Leases

826LA leases space in Echo Park under a non-cancelable operating lease, expiring August 2022, and in Mar Vista under a non-cancelable operating lease, expiring September 2022. Future minimum rental payments due on these operating leases are as follows:

Year Ended June 30,

2019	\$	154,157
2020		159,214
2021		164,437
2022		169,834
2023		28,456
		<hr/>
Total	\$	<u>676,098</u>

Rent expense for the Mar Vista location is recognized on a straight-line basis over the lease terms, based on the total payments required under the lease. The deferred lease incentive amount of \$1,555 at June 30, 2017 represents the cumulative difference between the amounts paid and amounts expensed under the lease. There was no deferred lease incentive amount at June 30, 2018.

Rent expense related to the Echo Park lease for each of the years ended June 30, 2018 and 2017 was approximately \$83,000 and \$80,000, respectively. Rent expense related to the Mar Vista lease for each of the years ended June 30, 2018 and 2017 was approximately \$64,000 and \$55,000, respectively.

Note 5—Contingencies

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the gifts and their terms, the Board is acknowledging the requirements of the grantor at the time of receipt of the grant.

Note 6—Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Program and operations support	\$ 67,500	\$
Grants restricted to future periods	186,959	294,430
	<hr/>	<hr/>
Totals	<u>\$ 254,459</u>	<u>\$ 294,430</u>

826LA**Notes to Financial Statements—Continued****Note 7—Employee Benefit Plan**

Effective January 1, 2014, and commencing July 1, 2014, 826LA established a 401(k) defined contribution retirement program (the Plan) for its employees over the age of 21 with one year of service. 826LA matches 100% of employee contributions, up to 2% of annual salary. Employees are vested immediately with 100% non-forfeitability of all employer matched contributions. Expenses related to the Plan's administration and 826LA's employer matching contributions for the year ended June 30, 2018 were \$2,674 and \$7,810, respectively, and for the year ended June 30, 2017 were \$2,602 and \$9,685 respectively.

Note 8—Fundraising Events, Net

Fundraising event activity for the years ended June 30, 2018 and 2017 consists of the following:

	<u>Gross Receipts</u>	<u>Expenses</u>	<u>Net</u>
2018:			
Tell Me a Story: 826LA Celebration	\$ 600,455	\$ (99,373)	\$ 501,082
Marathon Event	45,002	(6,859)	38,143
Totals	<u>\$ 645,457</u>	<u>\$ (106,232)</u>	<u>\$ 539,225</u>
2017:			
Tell Me a Story: 826LA Celebration	\$ 453,300	\$ (78,486)	\$ 374,814
Let's Do the Time Warp	25,650	(4,366)	21,284
Totals	<u>\$ 478,950</u>	<u>\$ (82,852)</u>	<u>\$ 396,098</u>

Total fundraising expenses for the years ended June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Fundraising expenses per statement of activities	\$ 268,575	\$ 206,908
Fundraising events expenses	106,232	82,852
Totals	<u>\$ 374,807</u>	<u>\$ 289,760</u>

Note 9—Store Sales, Net

Net store sales for the years ended June 30, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Store sales	\$ 106,588	\$ 107,799
Less:		
Cost of goods sold	(44,835)	(39,820)
Other direct expenses	(28,790)	(13,598)
Net	<u>\$ 32,963</u>	<u>\$ 54,381</u>

Note 10—Expenses

Expenses, including those related to fundraising events and store operations, for the years ended June 30, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Total expenses per statement of activities	\$ 1,628,301	\$ 1,430,601
Fundraising events expenses	106,232	82,852
Store operations expenses	73,625	53,418
Totals	<u>\$ 1,808,158</u>	<u>\$ 1,566,871</u>

Note 11—Recent Accounting Pronouncements

Leases—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for nonprofit organizations with fiscal years beginning after December 15, 2019, with early adoption permitted. 826LA is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

Net Assets Presentation—In August 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment returns, and cash flows. The guidance replaces the three classes of net assets currently presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user's

Note 11—Recent Accounting Pronouncements—Continued

ability to assess an entity's available financial resources, along with its management of liquidity and liquidity risk. The guidance requires all not-for-profit entities to present expenses by both their natural and functional classification in a single location in the financial statements. ASU No. 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. 826LA is currently evaluating the impact that the adoption of ASU 2016-14 will have on its financial statements.

Inventory—In July 2015, FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory*. ASU 2015-11 simplifies the subsequent measurement of inventory by requiring inventory to be measured at the lower of cost and net realizable value. ASU 2015-11 applies only to inventories for which cost is determined by methods other than last-in first-out and the retail inventory method. ASU 2015-11 is effective on a prospective basis for public companies for annual reporting periods beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the ASU 2015-11 is effective on a prospective basis for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 31, 2017. Early adoption of ASU 2015-11 is permitted. 826LA is currently evaluating the impact that the adoption of ASU 2015-11 will have on its financial statements.

Contributions—In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the definition of an exchange transaction. As a result, not-for-profit entities (NFPs) will account for most federal grants as donor-restricted conditional contributions rather than as exchange transactions (the prevalent practice today). An accommodation ("simultaneous release" option) is provided which, if elected, would allow grants received and used within the same period to be reported in net assets without donor restrictions, consistent with where the grant revenue is reported today. Donors will use the same criteria as recipients (i.e., a barrier or hurdle coupled with a right of return/right of release) to determine whether gifts or grants are conditional or unconditional.

Expense recognition is deferred for conditional arrangements and is immediate for unconditional arrangements. No new disclosures are required. ASU 2018-08 is effective for resource recipients with fiscal years beginning after December 15, 2018, and for resource providers with fiscal years beginning after December 15, 2019; early adoption is permitted. 826LA is currently evaluating the impact that the adoption of ASU 2018-08 will have on its financial statements.

Restricted Cash—In November 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU 2016-18 clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. The guidance requires entities to present the change in restricted cash and restricted cash equivalents with cash and cash equivalents to reconcile amounts on the balance sheet to the statement of cash flows. Entities will be required to disclose the nature of the restrictions, as well as reconcile the totals in the statement of cash flows to cash, cash equivalents, restricted cash, and restricted cash equivalents on the balance sheet when these are shown in more than one line item. ASU 2016-18 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. 826LA is currently evaluating the impact that the adoption of ASU 2016-18 will have on its financial statements.

826LA

Notes to Financial Statements—Continued

Note 12—Subsequent Events

Subsequent events were evaluated through February 15, 2019, which is the date the financial statements were available to be issued, and it was concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.

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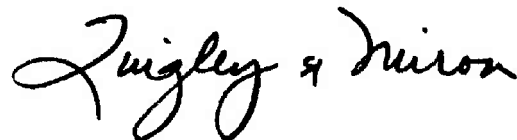
Independent Auditor's Report on Supplementary Information

Board of Directors
826LA
Los Angeles, California

We have audited the financial statements of 826LA as of and for the years ended June 30, 2018 and 2017, and have issued our report thereon dated February 15, 2019, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying statements of functional expenses are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audits of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on this information.

Los Angeles, California
February 15, 2019



826LA
Schedule A
Statement of Functional Expenses
Year Ended June 30, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 661,777	\$ 95,305	\$ 182,808	\$ 939,890
Payroll taxes	54,824	7,896	15,145	77,865
Employee benefits	71,284	10,266	19,691	101,241
Total Personnel	787,885	113,467	217,644	1,118,996
Accounting fees	49,704	2,924	5,847	58,475
Americorp Vista	12,169	716	1,432	14,317
Depreciation	8,988	529	1,057	10,574
Insurance	10,698	629	1,259	12,586
Miscellaneous	45,358	2,668	5,336	53,362
National affiliate fees	51,000	3,000	6,000	60,000
Occupancy	154,562	9,092	18,184	181,838
Outside services	15,177	893	1,786	17,856
Postage and shipping	890	52	104	1,046
Printing and publications	25,019	1,472	2,943	29,434
Small equipment purchases	15,731	925	1,851	18,507
Supplies	21,570	1,269	2,538	25,377
Telephone	3,644	214	429	4,287
Travel	18,399	1,082	2,165	21,646
Total Non-Personnel	432,909	25,465	50,931	509,305
Totals	<u>\$ 1,220,794</u>	<u>\$ 138,932</u>	<u>\$ 268,575</u>	<u>\$ 1,628,301</u>
	<u>75%</u>	<u>9%</u>	<u>16%</u>	<u>100%</u>

See accompanying independent auditor's report on supplementary information.

826LA
Schedule A
Statement of Functional Expenses
Year Ended June 30, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 652,457	\$ 77,605	\$ 140,926	\$ 870,988
Payroll taxes	54,548	6,488	11,782	72,818
Employee benefits	66,921	7,960	14,454	89,335
Total Personnel	773,926	92,053	167,162	1,033,141
Accounting fees	34,081	2,005	4,010	40,096
Americorp Vista	3,188	187	375	3,750
Depreciation	8,988	529	1,057	10,574
Insurance	10,264	604	1,207	12,075
Miscellaneous	37,993	2,235	4,470	44,698
National affiliate fees	41,051	2,415	4,830	48,296
Occupancy	131,315	7,724	15,449	154,488
Outside services	18,688	1,099	2,198	21,985
Postage and shipping	1,015	60	119	1,194
Printing and publications	23,003	1,353	2,706	27,062
Small equipment purchases	1,388	81	163	1,632
Supplies	18,051	1,062	2,124	21,237
Telephone	3,635	214	428	4,277
Travel	5,181	305	610	6,096
Total Non-Personnel	337,841	19,873	39,746	397,460
Totals	<u>\$ 1,111,767</u>	<u>\$ 111,926</u>	<u>\$ 206,908</u>	<u>\$ 1,430,601</u>
	<u>78%</u>	<u>8%</u>	<u>14%</u>	<u>100%</u>

See accompanying independent auditor's report on supplementary information.