

**MIZELL CENTER**  
**AND MIZELL ENDOWMENT FUND**

**PALM SPRINGS, CALIFORNIA**

**INDEPENDENT AUDITOR'S REPORT,**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2023 AND**  
**SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2022**



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### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Mizell Center  
Palm Springs, California

#### **Report on the Financial Statements**

##### **Opinion**

We have audited the accompanying financial statements of Mizell Center (a nonprofit organization) and its affiliate, Mizell Endowment Fund, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mizell Center and Mizell Endowment Fund as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 Mizell Center and Mizell Endowment Fund 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 opinion.

##### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about of Mizell Center and Mizell Endowment Fund's 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 consolidated 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 Mizell Center and Mizell Endowment Fund'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 Mizell Center and Mizell Endowment Fund'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 consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2023, on our consideration of Mizell Center'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 Mizell Center'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 Mizell Center's internal control over financial reporting and compliance.

#### **Report on Summarized Comparative Information**

We have previously audited the consolidated financial statements of Mizell Center and Endowment Fund for the year ended June 30, 2022, in our report dated November 15, 2022, we expressed an unmodified opinion. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Coachella Valley*  
*Accounting & Auditing*

La Quinta, CA

October 31, 2023

**MIZELL CENTER AND ENDOWMENT FUND**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**

**WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2022**

	<u>2023</u>	<u>2022 (Memorandum Only)</u>
<b>ASSETS</b>		
Cash and cash equivalents - without donor restrictions	\$ 226,066	\$ 250,854
Cash and cash equivalents - without donor restrictions - board designated	120,876	-
Cash and cash equivalents - with donor restrictions	695,860	511,501
Accounts receivable	500,184	377,350
Investments - board designated	1,089,572	-
Beneficial interest in Inland Empire Community Fund	34,964	1,118,781
Property and equipment, net	770,712	443,713
Donated artwork	19,050	19,050
Other assets	<u>1,064</u>	<u>1,309</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,458,348</u></u>	<u><u>\$ 2,722,558</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 32,556	\$ 41,942
Accrued payroll expenses	126,853	118,213
Beneficiary payable	<u>17,328</u>	<u>23,561</u>
<b>TOTAL LIABILITIES</b>	<u>176,737</u>	<u>183,716</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,375,303	946,090
Without donor restrictions - board designated	100,000	100,000
Without donor restrictions - board designated - endowment	1,110,448	1,081,251
With donor restrictions	<u>695,860</u>	<u>411,501</u>
<b>TOTAL NET ASSETS</b>	<u>3,281,611</u>	<u>2,538,842</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,458,348</u></u>	<u><u>\$ 2,722,558</u></u>

(The accompanying notes are an integral part of these financial statements)

**MIZELL CENTER AND ENDOWMENT FUND**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2022**

	Without Donor Restrictions				Totals	
	Operating	Board Designated Endowment	Total	With Donor Restrictions	2023	2022 (Memorandum Only)
<b>REVENUES AND SUPPORT</b>						
Contributions - general	\$ 327,667	\$ -	\$ 327,667	\$ -	\$ 327,667	\$ 296,569
Government grants	1,918,670	-	1,918,670	-	1,918,670	1,669,370
Other grants	640,424	-	640,424	518,180	1,158,604	493,123
Special events	174,512	-	174,512	-	174,512	208,750
Memberships - business partners	38,783	-	38,783	-	38,783	51,187
Memberships - individuals	51,966	-	51,966	-	51,966	50,949
Program services	485,368	-	485,368	-	485,368	409,137
Rental income	51,960	-	51,960	-	51,960	15,683
Thrift store income	58,527	-	58,527	-	58,527	53,253
Use of contributed facilities	99,852	-	99,852	-	99,852	92,000
Other income	101,441	-	101,441	-	101,441	1,084
Management contract	233,884	-	233,884	-	233,884	190,647
Interest and dividends	1,004	32,097	33,101	-	33,101	31,951
Net realized and unrealized gains (losses) on investments	-	12,873	12,873	5,890	18,763	(192,027)
Net gain on disposal of assets	2,000	-	2,000	-	2,000	8,161
Investment management fees	-	(11,034)	(11,034)	-	(11,034)	(12,061)
Net assets released from restrictions:						
Purpose restrictions satisfied	239,711	-	239,711	(239,711)	-	-
Total revenue and support	4,425,769	33,936	4,459,705	284,359	4,744,064	3,367,776
<b>EXPENSES</b>						
Program services:						
Meals on wheels	1,633,259	-	1,633,259	-	1,633,259	1,191,888
Nutrition/congregate lunches	790,423	-	790,423	-	790,423	660,214
Other programs	1,040,313	-	1,040,313	-	1,040,313	866,946
Total program services	3,463,995	-	3,463,995	-	3,463,995	2,719,048
Support services:						
Management and general	169,066	4,739	173,805	-	173,805	153,955
Fundraising	363,495	-	363,495	-	363,495	332,238
Total support services	532,561	4,739	537,300	-	537,300	486,193
<b>TOTAL EXPENSES</b>	3,996,556	4,739	4,001,295	-	4,001,295	3,205,241
<b>INCREASE IN NET ASSETS</b>	429,213	29,197	458,410	284,359	742,769	162,535
<b>NET ASSETS - BEGINNING OF YEAR</b>	1,046,090	1,081,251	2,127,341	411,501	2,538,842	2,376,307
<b>NET ASSETS - END OF YEAR</b>	\$ 1,475,303	\$ 1,110,448	\$ 2,585,751	\$ 695,860	\$ 3,281,611	\$ 2,538,842

(The accompanying notes are an integral part of these financial statements)

**MIZELL CENTER AND ENDOWMENT FUND**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM SERVICES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2022**

	2023				2022
	Meals on Wheels	Nutrition/ Congregate Lunches	Other Programs	Total Program Services	Total Program Services (Memorandum Only)
Salaries	\$ 573,007	\$ 285,944	\$ 586,732	\$ 1,445,683	\$ 1,265,401
Bank charges	-	-	9,610	9,610	6,683
Business partner expenses	-	-	2,277	2,277	1,935
Building repairs and maintenance	2,481	2,481	11,807	16,769	13,243
Computer expenses	-	-	6,385	6,385	9,623
Food costs	545,660	320,431	4,103	870,194	700,871
Depreciation	24,357	14,614	38,970	77,941	38,770
Dues and subscriptions	-	-	1,455	1,455	1,287
Employee health insurance	38,908	19,416	39,841	98,165	89,352
Equipment rental and repairs	91,621	36,477	10,743	138,841	102,732
Insurance	17,570	-	6,613	24,183	23,020
Janitorial	-	-	3,165	3,165	2,869
Kitchen expenses	204,307	18,452	-	222,759	26,605
Membership expenses	-	-	3,824	3,824	5,281
Office supplies	2,385	1,636	8,769	12,790	13,565
Payroll processing fees	1,330	664	1,362	3,356	404
Payroll taxes	49,862	24,882	51,056	125,800	108,249
Printing and postage	-	-	3,595	3,595	5,062
Professional services	2,250	2,250	10,403	14,903	26,295
Program expenses	2,821	2,821	121,135	126,777	87,814
Public relations	-	-	11,041	11,041	8,001
Rent - facilities	19,970	19,970	39,941	79,881	73,556
Retirement plan	3,607	1,800	3,693	9,100	4,815
Seminars and training	1,637	1,637	1,841	5,115	1,426
Taxes and licenses	-	-	2,209	2,209	2,016
Thrift store expenses	-	-	2,763	2,763	1,980
Travel	-	-	2,103	2,103	2,683
Utilities	22,467	22,467	25,162	70,096	50,764
Workers compensation insurance	29,019	14,481	29,715	73,215	44,746
Total program services	<u>\$ 1,633,259</u>	<u>\$ 790,423</u>	<u>\$ 1,040,313</u>	<u>\$ 3,463,995</u>	<u>\$ 2,719,048</u>

(The accompanying notes are an integral part of these financial statements)

**MIZELL CENTER AND ENDOWMENT FUND**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - SUPPORT SERVICES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2022**

	2023			2022
	Management and General	Fundraising	Total Support Services	Total Support Services (Memorandum Only)
Salaries	\$ 88,839	\$ 150,413	\$ 239,252	\$ 221,576
Bank charges	4,805	4,805	9,610	6,682
Building repairs and maintenance	3,841	4,834	8,675	7,566
Computer expenses	3,192	3,193	6,385	9,624
Depreciation	19,485	-	19,485	9,693
Dues and subscriptions	727	727	1,454	1,288
Employee health insurance	5,979	10,213	16,192	15,646
Insurance	5,623	2,409	8,032	5,327
Janitorial expenses	1,583	1,583	3,166	2,870
Office supplies	2,812	2,814	5,626	3,612
Office equipment & rentals	2,730	3,640	6,370	8,302
Payroll processing fees	204	349	553	71
Payroll taxes	7,662	13,089	20,751	18,955
Printing and postage	253	253	506	1,144
Professional services	6,701	5,201	11,902	23,298
Program expenses	330	330	660	926
Public relations	-	1,772	1,772	3,117
Retirement plan	554	947	1,501	843
Rent - facilities	4,993	75,451	80,444	18,389
Seminars and training	69	69	138	1,124
Special Events	-	64,847	64,847	102,411
Taxes and licenses	1,129	1,104	2,233	2,066
Travel	28	28	56	140
Utilities	7,807	7,807	15,614	13,688
Workers compensation insurance	4,459	7,617	12,076	7,835
Total support services	<u>\$ 173,805</u>	<u>\$ 363,495</u>	<u>\$ 537,300</u>	<u>\$ 486,193</u>

(The accompanying notes are an integral part of these financial statements)



**MIZELL CENTER AND ENDOWMENT FUND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from donors and customers	\$ 4,512,864	\$ 3,518,822
Cash paid to suppliers and employees	(3,810,996)	(3,039,795)
Interest received	<u>1,004</u>	<u>34</u>
Net cash provided by operating activities	<u>702,872</u>	<u>479,061</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(424,425)	(78,329)
Proceeds received from disposal of assets	<u>2,000</u>	<u>8,161</u>
Net cash used by investing activities	<u>(422,425)</u>	<u>(70,168)</u>
<b>NET INCREASE IN CASH</b>	280,447	408,893
<b>CASH AT BEGINNING OF YEAR</b>	<u>762,355</u>	<u>353,462</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 1,042,802</u></u>	<u><u>\$ 762,355</u></u>
Cash and cash equivalents - without donor restrictions	\$ 346,942	\$ 250,854
Cash and cash equivalents - with donor restrictions	<u>695,860</u>	<u>511,501</u>
<b>Total cash and cash equivalents</b>	<u><u>\$ 1,042,802</u></u>	<u><u>\$ 762,355</u></u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS</b>		
<b>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Increase in net assets	<u>\$ 742,769</u>	<u>\$ 162,535</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	97,426	48,463
Change in value of endowment investment	(5,755)	177,727
Gain on sale of assets	(2,000)	(8,161)
Changes in operating assets and liabilities:		
Accounts receivable	(122,834)	74,573
Other assets	245	(1,059)
Accounts payable and accrued payroll expenses	(9,386)	(13,073)
Accrued payroll expenses	8,640	63,851
Deferred grant	-	(22,500)
Beneficiary payable	<u>(6,233)</u>	<u>(3,295)</u>
Total adjustments	<u>(39,897)</u>	<u>316,526</u>
Net cash provided by operating activities	<u><u>\$ 702,872</u></u>	<u><u>\$ 479,061</u></u>

(The accompanying notes are an integral part of these financial statements)

## **MIZELL CENTER AND ENDOWMENT FUND**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Nature of Activities**

The Center is a not-for-profit entity incorporated in California on January 21, 1980. The Center's primary source of revenues is contributions from individuals, business, government grants and philanthropic organizations located in the Coachella Valley area of Southern California, investment earnings, and program service fees.

The consolidated financial statements of the Center include its affiliate, the Mizell Center Endowment Fund (the Endowment Fund). This affiliate is a separately incorporated charitable entity that is administered by the Center. All significant intercompany balances and transactions have been eliminated within the consolidated financial statements. The Center and its affiliate are collectively referred to herein as the Center.

##### **Financial Statement Presentation**

The Center reports information regarding its financial position and activities according to three classes of net assets; net assets without donor restriction and net asset without donor restriction – board designated, and net assets with donor restriction, based upon the existence or absence of donor-imposed restrictions.

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

##### **Net Assets Without Donor Restrictions**

These funds represent all resources over which the Board of Directors has discretionary control for use in operating the Center, as well as all property and equipment of the Center.

##### **Net Assets Without Donor Restrictions – Board Designated**

These funds represent all resources over which the Board of Directors has discretionary control for use in operating the Center. The Board of Directors have designated funds for an endowment and reserves for the Center.

##### **Net Assets With Donor Restrictions**

These funds represent those resources that are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions of \$795,860 and \$511,501 as of June 30, 2023 and 2022, respectively (See Note 8).

##### **Support and Revenue**

Annual contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded as revenue when received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met.

## MIZELL CENTER AND ENDOWMENT FUND

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### Support and Revenue - Continued

An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year-end. Grants and other contributions of cash and other assets are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Program service fees are recorded when services are provided.

Contributions of donated noncash assets are recorded at their fair value in the period received with the exception of items donated for resale at the thrift store. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations, are recorded at their fair values in the period received.

##### Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Center considers all unrestricted, undesignated highly liquid investments with an original maturity of three months or less to be cash equivalents.

##### Beneficial Interest in Inland Empire Community Foundation

The Endowment Fund has entered into a revocable agreement with Inland Empire Community Foundation, Riverside California (IECF). Under this agreement, the Endowment Fund's investment portfolio is managed by IECF and the Center has been named the beneficiary of those pooled funds. The Center's beneficial interest in IEFC is reported at fair value with gains and losses included in the consolidated statement of activities. Investment income is recorded when earned. In January 2023, the Board of Directors voted to transfer the Endowment Fund assets to The Wealth Consulting Group (LPL Financial) (Note 2).

Investment accounts, in general, are exposed to various risks, such as interest rates, credit and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

##### Property and Equipment

Property and equipment purchased by the Center are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 31 years. The Endowment Fund has no property or equipment. Equipment purchases using Title III funding, in excess of \$5,000, are expensed in accordance with grant requirements. The equipment acquired are owned by CDA (California Department on Aging). Prior CDA approval via Riverside County Office on Aging is required for retiring or sales of assets.

##### Contributed Facilities and Services

The Center occupies land and facilities owned by The City of Palm Springs (the City) under the provisions of a 40 year lease. No lease payments for the premises are made by the Center. The estimated fair value of the land and facilities is reported as contribution and expense in the consolidated statement of activities. The Center's lease expires in October 2028. The fair market value of the lease is \$8,321 per month.

## MIZELL CENTER AND ENDOWMENT FUND

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Center receives donated services from a variety of unpaid volunteers assisting the Center in its program services and fundraising campaigns. No amounts for donated services have been recognized in the accompanying statement of activities since no objective basis is available to measure the value of such services.

##### Program Services and Functional Allocation of Expenses

The Center provides the following program services:

Meals on Wheels  
Nutrition/Congregate Lunch  
Other Programs

The costs of providing the Center's various programs and support services have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the program and support services benefited.

##### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### Income Taxes

The Center and the Endowment fund are exempt from federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State Revenue and Taxation Code, respectively. The Center and the Endowment Fund policy is to record income tax related interest and penalties in operating expenses. For the years ended June 30, 2023 and 2022, there was no interest or penalties expense recorded and no accrued interest or penalties.

The Center's and Endowment Fund's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the Internal Revenue Service, generally for three years after they are filed. The Center's and Endowment Fund's Forms 199, California Exempt Organization Annual Information Return, are subject to examination by the Franchise Tax Board, generally for four years after they are filed.

##### Recent Accounting Pronouncement

Effective January 2022, the Financial Accounting Standards Board's (FASB) Accounting Standards Updated ("ASU") 2016-02, Leases (Topic 842), requires a lessee to recognize a lease asset and related lease liability on the statement of financial position. The Center adopted Topic 842 as of July 1, 2022 using the effective date method and recognized and measured leases effective during the year ending June 30, 2023. The Center elected the package of practical expedients permitted under the transition guidance within the new standard which, among other things, allowed the Organization to carry forward the historical classification, not reassess whether any expired or existing contracts contain leases and not reassess initial direct costs on existing leases. (Note 6)

## **MIZELL CENTER AND ENDOWMENT FUND**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Revenue Recognition**

Revenues that are treated as exchange transactions are recognized consistent with the guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers. ASC 606 stipulates that revenue should be recognized consistent with the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services.

##### **Prior year reclassification**

The allocation of net assets at June 30, 2022 has been restated to correct prior misclassification to net assets with donor restrictions and net assets without donor restrictions. The is had a net \$0 impact to the total net assets at June 30, 2022, decreasing net assets with donor restrictions and increasing assets without donor restrictions by \$100,000.

#### **2. BENEFICIAL INTEREST IN INLAND EMPIRE COMMUNITY FOUNDATION**

Under the Endowment Fund’s agency agreement with IECF, the Endowment Fund’s investment portfolio is managed by IECF and the Center has been named the beneficiary of those pooled funds. The Center’s beneficial interest consists of funds invested in a pooled investment fund managed by Inland Empire Community Foundation, Riverside, California. The funds may be petitioned for return to the Center by a two-thirds majority vote of the Center’s Board of Directors, subject to IECF’s approval. In January 2023, the Board of Directors voted to transfer the Endowment Fund assets to The Wealth Consulting Group (LPL Financial). Net realized and unrealized gains (losses) on investments carried at fair value for the years ended June 30, 2023 and 2022 were \$18,763 and (\$192,027), respectively, and have been included in the consolidated statements of activities and changes in net assets.

Investment expenses relating to investment revenue were \$11,034 and \$12,061 for the years ended June 30, 2023 and 2022, respectively. There are two charitable gift annuities that continue to be held by IECF with total asset values of \$34,964 and \$35,306 for the years ended June 30, 2023 and 2022, respectively.

#### **3. FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access. As of June 30, 2023, the Center had investments of \$1,089,572 valued at the level 1 measurement.

Level 2 inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices of identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means

## **MIZELL CENTER AND ENDOWMENT FUND**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

#### **3. FAIR VALUE MEASUREMENTS (Continued)**

As of June 30, 2022 the Center had investments of \$1,118,781 valued at the level 2 measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 or 2022.

*Inland Empire Community Foundation Endowment Investments* (the Foundation). The beneficial interest in assets held at Inland Empire Community Foundation has been valued, as a practical expedient, at the fair value of the Center's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting.

- The estimated fair values of certain investments of the Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

#### **3. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Building Improvements	\$ 2,038,322	\$ 2,030,906
Vehicles	202,354	234,178
Equipment	208,025	205,654
Computer Lab	17,955	17,955
Construction in process	464,859	50,221
	<u>2,931,515</u>	<u>2,538,914</u>
Less accumulated depreciation and amortization	(2,160,803)	(2,095,201)
Net property and equipment	<u>\$ 770,712</u>	<u>\$ 443,713</u>

Construction in process for the years ending June 30, 2023 and 2022 relate to the kitchen remodel that the Center is nearing completion on. The project was completed in November 2023. The Center received funding from the County of Riverside to purchase approximately \$190,000 in kitchen equipment that is required to be expensed due the government funding policies and these items are not reflected in the above construction in process.



## **MIZELL CENTER AND ENDOWMENT FUND**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

#### **4. DONATED ARTWORK**

Artwork donated to the Center and considered inexhaustible is recorded at estimated fair market value at the date of donation. The Center's collection includes paintings, sculptures and similar art objects. Donated artwork amounted to \$19,050 as of June 30, 2023 and 2022.

#### **5. LEASE COMMITMENTS**

The Center leases certain office equipment under operating leases on recurrent and month-to-month basis. Equipment rental expense for the years ended June 30, 2023 and 2022 was and \$18,200 and \$23,719, respectively. During the year ended June 30, 2023, the Organization maintained short term leases to rent kitchen facilities and temporary refrigerators while the kitchen construction occurred which commenced in November and December 2022. The total expenses for the kitchen facilities and temporary refrigerators amounted to \$60,473. The kitchen construction was completed in November 2023 and these leases will no longer be necessary.

As discussed in Note 1, the Center also leases its facilities from the City of Palm Springs. Contributed facilities rent expense for the year ended June 30, 2023 and 2022 was \$99,852 and \$91,944, respectively. The lease with the City is effective until October 2028, or sooner in the case of a qualifying event.

#### **6. ENDOWMENT FUNDS**

##### **Board-designated Endowment**

As of June 30, 2023, the Board of Directors had designated \$1,110,448 of net assets without donor restrictions as a general endowment fund to support the operations of the Center. Since these amounts resulted from internal designations and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

The Center had transferred assets to Inland Empire Community Foundation as an agency component fund ("Fund") for the benefit of the Center. The Fund was subject to IECF's investment and spending policies which provided annual distribution to the Center of 5% of the endowment's principal market value based on a rolling twelve quarter average, payable to the Center in monthly installments. The Center reports the fair value of the Fund as Beneficial Interest in Inland Empire Community Foundation in the statement of financial position and reports changes in the value of the fund as gains or losses in the statement of activities. In January 2023, the Board of Directors voted to transfer the funds from IECF to The Wealth Consulting Group (LPL Financial) in an effort to provide improved investment performance.

*Investment Return Objectives, Risk Parameters and Strategies.* Effective September 2022, the Center has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. During the year ending June 30, 2021, the Board of Directors discontinued distributions to the Center and future distributions will be re-evaluated in the future.

# MIZELL CENTER AND ENDOWMENT FUND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

### 6. ENDOWMENT FUNDS (Continued)

#### Donor-designated Endowment

The Center is the recipient of donor restricted endowment funds that may be used for unrestricted purposes upon the death of the donors. The funds have been transferred to Inland Empire Community Foundation as an agency. The Center reports the fair value of these funds as a portion of the Beneficial Interest in Inland Empire Community Foundation in the statement of financial position and reports changes in the value of the fund as gains or losses in the statement of activities.

Endowment Net Assets are composed entirely of assets without donor restrictions- board designated and assets with donor restrictions with a value of \$1,128,083 and \$1,092,996 at June 30, 2023 and 2022, respectively.

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,081,251	\$ 11,745	\$ 1,092,996
Investment income	32,097	-	32,097
Net investment gain	12,873	5,890	18,763
Contributions	-	-	-
Amounts appropriated for expenditures	(4,739)	-	(4,739)
Investment and administrative fees	(11,034)	-	(11,034)
Endowment net assets, end of year	<u>\$ 1,110,448</u>	<u>\$ 17,635</u>	<u>\$ 1,128,083</u>

  

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,253,396	\$ 14,828	\$ 1,268,224
Investment income	31,917	-	31,917
Net investment loss	(188,944)	(3,083)	(192,027)
Contributions	-	-	-
Amounts appropriated for expenditures	(3,057)	-	(3,057)
Investment and administrative fees	(12,061)	-	(12,061)
Endowment net assets, end of year	<u>\$ 1,081,251</u>	<u>\$ 11,745</u>	<u>\$ 1,092,996</u>

### 7. DONOR RESTRICTED NET ASSETS

Donor restricted net assets are subject to donor restrictions limiting the Center's use of the contributed assets for time restrictions, special purposes, or both. Donor restricted net assets at June 30 consisted of the following:

	2023	2022 (Restated)
Capital campaign (Note 12)	\$ 577,891	\$ 379,885
Meals on Wheels	100,334	-
Technology	-	10,000
Case Management	-	9,872
Endowment	17,635	11,745
	<u>\$ 695,860</u>	<u>\$ 411,501</u>

The Board of Directors has internally designated \$100,000 for the capital campaign which is not shown above since it is not a donor designation.



## **MIZELL CENTER AND ENDOWMENT FUND**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

#### **8. LINE OF CREDIT**

The Center has a secured line of credit with a maximum amount available of \$50,000 at an interest rate of 10.5%. This line of credit will mature on December 10, 2023. There was no balance as of June 30, 2023 and 2022.

#### **9. MANAGEMENT CONTRACT**

The Center entered into a management agreement with the City of Desert Hot Springs where the Center and staff hired by the Center will function as the service provider for the Desert Hot Springs Senior Center. The agreement references to a specific budget for the 2022/2023 fiscal year. The total compensation received for this contract for the years ended June 30, 2023 and 2022 were \$233,884 and \$190,647, respectively, with the related expenses being \$214,657 and \$171,640, respectively.

#### **10. EMPLOYEE'S 403(b) PLAN**

The Center established a 403(b) plan in August 2019 for its employees to contribute to with the possibility for employer matching contributions as approved by the Board of Directors. All employees are eligible to participate, except those that who are non-resident aliens with no U.S. source income. In order to receive employer matching contributions an employee must complete at least one year of service and work 1,000 hours each year. Effective January 2022 the Board approved a new policy to match employee contributions up to 2%. For the years ended June 30, 2023 and 2022 there were \$10,601 and \$5,658, respectively in employer matching contributions.

#### **11. CAPITAL CAMPAIGN**

In of October 2021, the Mizell Center had started planning the launch of the "Mizell Kitchen Expansion Capital Campaign 2022", a \$1.3 million initiative to fund the expansion of the existing kitchen with an additional 1,134 square feet of work space and modern, energy efficient appliances, potentially double the existing staff which will allow a greater opportunity to provide other local no-profits with meals for their clients, more opportunities for volunteer involvement, service and engagement. The campaign officially launched April 2022. As of June 30, 2023, the campaign accumulated approximately \$1,300,000.

#### **12. LIQUIDITY**

The Center's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 219,110
Accounts receivables	<u>500,184</u>
Total	<u>\$ 719,294</u>

Income from donor-restricted sources is restricted for specific purposes and, therefore, is not available for general expenditure. Board designated cash and investments are excluded from the above liquidity determination since the Board has not released any designations as of June 30, 2023.

**MIZELL CENTER AND ENDOWMENT FUND**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**13. SUBSEQUENT EVENTS**

The Center evaluated all potential subsequent events as of October 31, 2023 when the financial statements were authorized and available to be issued. No subsequent events were identified after June 30, 2023 or as of October 31, 2023 that require disclosure to the financial statements, other than the item described in Note 4 regarding the reopening of the kitchen.

## **SUPPLEMENTARY INFORMATION**



**ACCOUNTING & AUDITING**

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

Board of Directors  
Mizell Center  
Palm Springs, 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 Mizell Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 October 31, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Mizell Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mizell Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mizell Center'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.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Mizell Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Coachella Valley*  
*Accounting & Auditing*

October 31, 2023

La Quinta, CA



## ACCOUNTING & AUDITING

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### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Mizell Center  
Palm Springs, California

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

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

We have audited Mizell Center's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Mizell Center's major federal programs for the year ended June 30, 2023. Mizell Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mizell Center's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

##### ***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Mizell Center 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 Mizell Center'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, regulation, rules, and provisions of contract or grant agreements applicable to Mizell Center's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mizell Center'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mizell Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mizell Center'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 Mizell Center'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 Mizell Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Coachella Valley  
Accounting & Auditing*

La Quinta, CA

October 31, 2023



**MIZELL CENTER**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b><u>Federal Grantor/Pass-Through Agency/Program</u></b>	<b><u>Federal Assistance Listing Number</u></b>	<b><u>Pass-through Entity Identifying Number</u></b>	<b><u>Federal Expenditures</u></b>
<b>U.S. Department of Health and Human Services</b>			
Pass-through programs from:			
County of Riverside Office on Aging			
ARPA Funds	93.044	OA22054FY23S	\$ 347,526
ARPA - Case Management	93.044	OA22036FY23S-B	184,810
Title IIIC2 - OTO	93.045	OA42103FY23SO	100,000
Title IIIC2 - NSIP - MEALS	93.053	OA42150FY23S	81,788
Title IIIC1 - NSIP - MEALS	93.053	OA42050FY23S	76,427
Title IIIC1 - OTO	93.045	OA42003FY23SO	<u>39,000</u>
Total U.S. Department of Health and Human Services			<u>829,551</u>
Total expenditures of federal awards			<u>\$ 829,551</u>
			<b><u>State and Local Expenditures</u></b>
<b><u>Pass-Through Agency/Program</u></b>			
Pass-through programs from:			
County of Riverside Office on Aging			<u>1,404,987</u>
Total expenditures of state and local awards			<u>\$ 1,404,987</u>

**MIZELL CENTER**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Mizell Center under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* 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 Mizell Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mizell Center.

**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**

Mizell Center has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**MIZELL CENTER**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Mizell Center were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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.
3. No instances of noncompliance material to the financial statements of Mizell Center, were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and Internal Control Over Compliance Required By The Uniform Guidance. No material weaknesses are reported.
5. The auditor's report on compliance for Mizell Center expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that should be disclosed in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were:

<u>Program Name</u>	<u>ALN#</u>
Special Programs for the Aging, Title III, Part B	93.044
Grants for Supportive Services and Senior Centers	

8. The dollar threshold used for distinguishing between Type A and B programs was \$750,000.
9. Mizell Center was determined to be a low-risk auditee.

**B. Findings – Financial Statements Audit**

None

**C. Findings And Questioned Costs – Major Federal Award Programs Audit**

There were no findings and questioned costs for the year ended June 30, 2023.

**MIZELL CENTER**

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

**FEDERAL COMPLIANCE**

There were no prior year findings and questioned costs for the year ended June 30, 2022.