

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT AND SUPPLEMENTARY INFORMATION

FOR THE PERIOD ENDED JUNE 30, 2025

LOS ANGELES ROOM & BOARD

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R.L. George CPAs and Advisors
28475 Greenfield Rd, Suite 113 #7638 Southfield, MI 48076
Phone: 248-201-6702
Email: RLANE@RLLANECPA.COM
Website: www.rlgeorgecpas.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Los Angeles Room & Board

Opinion

We have audited the accompanying financial statements of Los Angeles Room and Board, which comprise the statement of financial position as of June 30, 2025, and the related 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 financial statements present fairly, in all material respects, the financial position of Los Angeles Room and Board as of June 30, 2025, 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 Los Angeles Room and Board 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 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, which raise substantial doubt about Los Angeles Room and Board's ability to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is 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 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 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 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 the Organization'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, which raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 information is fairly stated, in all material respects, in relation to the consolidated 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 XX, 2025 on our consideration of Los Angeles Room and Board'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 the Los Angeles Room and Board'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 Los Angeles Room and Board's internal control over financial reporting and compliance.



Renisha Lane, CPA
Southfield, MI
November 14, 2025

STATEMENTS OF FINANCIAL POSITION
Los Angeles Room & Board
As of June 30, 2025

Assets	
Cash and cash equivalents	$ 6,057,069
Pledges receivable, net	913,878
Other assets	361,813
Property and equipment, net	23,025,511
Total assets	$ 30,358,271
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	$ 145,856
Total liabilities	145,856
Net Assets	
Without donor restrictions	25,254,183
With donor restrictions	4,958,232
Total net assets	30,212,415
Total liabilities and net assets	$ 30,358,271

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

STATEMENTS OF ACTIVITIES
Los Angeles Room & Board
For Period Ending June 30, 2025

	July 2024 - June 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Programs	$ 1,166	$ -	$ 1,166
Contributions and grants	185,512	6,304,087	6,489,599
Net assets released from restrictions	6,304,087	(6,304,087)	$ -
Total revenue, support, and gains	6,490,765	$ -	6,490,765
Expenses			
Program services expense			
Program services	1,849,064	$ -	1,849,064
Facilities	1,334,127	$ -	1,334,127
Human resources	2,406,341	$ -	2,406,341
Total program service expenses	5,589,532	$ -	5,589,532
Supporting services expense			
Management and General	1,205,847	$ -	1,205,847
Fundraising and development	31,612	$ -	31,612
Total supporting services expense	1,237,459	$ -	1,237,459
Total expenses	6,826,991	$ -	6,826,991
Change in Net Assets	(336,226)	$ -	(336,226)
Net Assets, Beginning of Year	25,590,409	4,958,232	30,548,641
Net Assets, End of Year	$ 25,254,183	$ 4,958,232	$ 30,212,415

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

STATEMENTS OF FUNCTIONAL EXPENSES
Los Angeles Room & Board
For Period Ended June 30, 2025

		Support Services		
	Program Services	Management and General	Fund-Raising	Total
Advertising & Marketing	-	63,050	-	63,050
Bank Fees	-	1,785	-	1,785
Business Insurance	69,669	34,315	-	103,984
Community Event	30,735	-	-	30,735
Computer related & software	-	30,021		30,021
Contractors	-	628,382	-	628,382
Credit Card Fees	-	-	-	-
Depreciation	851,814	55,516	-	907,330
Education/Tutoring	65,000	-	-	65,000
Personnel	2,406,340	47,286	-	2,453,626
Janitorial	119,855	-	-	119,855
Office Expenses	-	4,058	-	4,058
Fundraising	-	-	31,612	31,612
Rent	109,767	230,000	-	339,767
Legal & Professional	37,378	37,378	-	74,755
Licensing & Permits	885	-	-	885
Food Security/Meals	403,569	-	-	403,569
Facilities	67,299	-	-	67,299
Program Supplies	37,051	29,784	-	66,835
Meals - other	-	28,030	-	28,030
Repairs and Maintenance	159,290	-	-	159,290
Entertainment	3,160	-	-	3,160
Utilities	263,881	-	-	263,881
Security	543,485	-	-	543,485
Residential Life / Student Success	312,465	-	-	312,465
Supportive Services	107,889		-	107,889
Vehicle	-	5,518	-	5,518
Miscellaneous	-	10,725	-	10,725
	5,589,532	1,205,847	31,612	6,826,991

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

STATEMENTS OF CASH FLOWS
Los Angeles Room & Board
For Year Ended June 30, 2025

CASH FLOWS USED IN OPERATING ACTIVITIES	
Increase (decrease) in net assets	(336,226)
Adjustments to reconcile change to net assets to net cash provided	
Depreciation	907,330
(Increase) decrease in:	
Pledges Receivable	(546,136)
Other Assets	
Increase (decrease) in	
Accounts Payable	112,594
Credit Card Payable	(159)
Accrued Payroll Liabilities	(63,834)
Adjustments to reconcile change to net assets to net cash provided by (used in) operating activities:	409,795
Net cash provided by (used in) operating activities	**73,569**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(780,753)
Net cash provided by investing activities	**(780,753)**
NET CASH INCREASE FOR PERIOD	**(707,184)**
Cash at beginning of period	6,764,253
CASH AT END OF PERIOD	**6,057,069**

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

NOTE 1 Nature of Organization

Los Angeles Room & Board (the Organization) was founded in 2018 and incorporated on December 17, 2018 under the laws of California as a non-profit corporation in response to a growing epidemic of homelessness within the college community. The mission of Los Angeles Room & Board (LARB) is to ensure that California's community college students realize their postsecondary education goals by providing affordable transitional housing designed to end homelessness and, through our residential education program, promote persistence, retention, and completion from their certificate, associate and bachelor's degree programs.

NOTE 2 Summary of Significant Accounting Policies

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

Organization:
The Organization qualifies as a tax –exempt 501c(3) organization.

Basis of Accounting
The financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. Under the accrual basis of accounting, support and revenue are recorded when earned and expenses are recorded when incurred.

Net Assets
The financial statements report on net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into during its operations.

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. The Organization's unspent contributions are classified in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by

the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Revenue Recognition
Contributions, which include unconditional promises to give, are recorded as revenue in the period the promise is received and as contributions receivable in the Statements of Financial Position as long as receipt is expected within five years. Gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Unconditional promises to give which are expected to be received after five years are not recorded as income until receipt is expected within five years and collection is not in doubt. Conditional promises to give are recorded as revenue when conditions of receipt are met, and the receivable is due within five years.

Cash
As of June 30, 2025, the Organization had cash bank accounts, which are held by local banks, in excess of statutory or private deposit insurance. The Organization believes it is not exposed to any significant credit risk on cash. Cash consists of funds within the Chase Checking account and grant funding. These grant funds are only accessible as a disbursement for associated program expenses via credit card or check directly to vendors via QuickBooks.

Contributions
In accordance with the Not-for-Profit Entities Revenue Recognition Topic of the Codification, contributions received are recorded as support within net assets with donor restrictions or net assets without donor restrictions. All donor-restricted support is reported as an increase in support in net assets with donor restrictions, depending on the nature of the restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted. Conditional promises to give are recorded when the conditions on which they depend are substantially met.

In-kind Contributions
Donated goods and services are recognized as in-kind contributions in accordance with GAAP for not-for-profit organizations, if the goods and services (a) create or enhance non-financial assets or (b) the services require specialized skills and are performed by people with

skills and would otherwise be purchased by the Organization. The nature and total of in-kind contributions of goods and services received for June 30, 2025 is $0:

Property and Equipment:
Land, building and equipment are recorded at cost or, if donated, at the fair value at the time of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specified purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor restricted net assets to unrestricted net assets at that time. Building and equipment are depreciated using the straight-line method over the respective estimated useful lives, which range from five to twenty years. Long-lived assets are capitalized if the cost is $1,000 or greater and have an estimated useful life of one year or greater.

	Years
Buildings and improvements	5-20
Furniture and equipment	5-10
Computers, software, and vehicles	5

.
Accounts Payable and Accrued Expenses:
The Organization's records accounts payable and accrued expenses when underlying expenses are incurred.

Estimates:
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's 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 recorded amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Expenses:
Expenses have been based on an analysis of personnel time and space utilized for the related activities. Additional expenses include amounts incurred to run the stated programs.

Functional Expenses
The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their expenditure classification. Other expenses are common to several functions are allocated based on total square feet. The Organization at times conducts its fundraising activities in conjunction with its other activities. In these cases, joint costs have been allocated between fundraising and management and general expenses or program expense in accordance with standards for accounting for costs of activities that include

fundraising.

Pledges Receivable
Pledges receivable are unconditional promises to give that are recognized as contributions when the promise is received. Pledges receivable that are expected to be collected in less than one year is reported at net realizable value. Pledges receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows.

NOTE 3 Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Internal Revenue Service has determined the Organization is not a private foundation within the meaning of Section 509(a) of the Code.

The Organization follows the provisions of Accounting for Uncertainty in Income Taxes under the Income Taxes Topic of the Codification. The Codification requires the evaluation of tax positions, which include maintaining its tax-exempt status and the taxability of any unrelated business income and does not allow recognition of tax positions which do not meet a "more-likely-than-not" threshold of being sustained by the applicable tax authority. Management does not believe it has taken any tax positions that would not meet this threshold.

NOTE 4 Availability and Liquidity

Financial assets available for general expenditure, that is, without donors or other restrictions limiting their use, within one year of the balance sheet date, comprises the following as of June 30, 2025:

Cash and cash equivalents	$ 6,057,069
Pledge receivable, net	913,878
	$ 6,970,947

Additional funds are expected to be received from investment income, contributed income, and from restricted cash as donor use restrictions are met. These funds combined with the available funds are expected to meet the amounts needed to fund the operations of the Organization for the fiscal year ending June 30, 2025.

NOTE 5 Pledges Receivable

As of June 30, 2025, pledge receivables are expected to be received as follows:

Less than 1 year	$ 918,378
Total	$ 918,378

NOTE 6 Property and Equipment

Property and equipment consist of the following at June 30:

	2025
Land	$ 8,000,000
Buildings and improvements	15,718,540
Echo Park	223,005
Other Property	30,000
Art	40,000
Furniture and Fixtures	937,449
Solar Panels	92,550
Computer hardware and software	58,568
Vehicles	87,918
Less Accumulated Depreciation	($2,162,520)
Total	$23,025,510

Depreciation expense for the year ending June 30, 2025 was $907,330.

NOTE 7 Liquidity Risk

At June 30, 2025, the Company has $6,057,068 cash and equivalents available to meet needs for general expenditures consisting of cash. Accordingly, all such funds are available to meet the cash needs of the project in the next 12 months.

NOTE 8 Concentration of Risk

The Organization received approximately 99% in 2025 of its total support and revenue, in public donations and grant funding. Approximately 1% of revenue received includes program member fees paid by housing residents.

NOTE 8 Government Grants

During the year ending June 30, 2022, and due to the economic impact of the COVID-19 pandemic in Los Angeles, the County of Los Angeles (the "County") and Los Angeles Room and Board entered into a contract agreement to provide housing for individuals and families who are homeless or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases. The Organization was awarded the following awards for two housing units, Dunamis and Excelsior):

HomeKey Grant Award	$	23,542,600
LA County Capital Match		6,900,000
LA County Operating Match		14,151,900
Total Award	$	44,594,500

NOTE 9 Evaluation of Subsequent Events.

The Organization has evaluated subsequent events through November 14, 2025, the date which the financial statements were available to be issued. The Organization determined that it does not have any material subsequent events to report in the financial Statements.

OTHER SUPPLEMENTARY INFORMATION

LOS ANGELES ROOM AND BOARD
COUNTY OF LOS ANGELES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Programs**	**Total Federal Expenditures**
U.S. Department of Treasury			
Coronavirus Relief Fund			
Passed Through the State of California			
Homekey Program - Dunamis House Phase 2 21-HK-17173	21.019	1,423,328	$ 1,423,328.00
Homekey Program - Excelsior House Phase 2 21-HK-17463	21.019	1,031,044	1,031,044
Total U.S. Department of Treasury			**2,454,372**
Total Expenditures of Federal Awards			**$2,454,372**

NOTE 1 BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (the "Schedule") presents the federal awards activity of Los Angeles Room and Board under programs of the federal government for the year ended June 30, 2025. Federal awards received directly from federal agencies, as well as federal awards passed through from nonfederal agencies or other organizations are included in the Schedule. The information in the Schedule is presented in accordance with the Uniform Guidance. As the Schedule presents only the federal awards activity of Los Angeles Room and Board, it is not intended to and does not present the financial position, change in net position, or cash flows of Los Angeles Room and Board as a whole.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The expenditures included in the Schedule are reported under the accrual basis of accounting. Such expenditures are recognized in accordance with the cost principles contained in the Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122 Cost Principles for Non-Profit Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization elected to use the 10 percent de minimis indirect cost rate permitted under the Uniform Guidance (2 CFR §200.414(f)). Accordingly, indirect costs are calculated at 10 percent of modified total direct costs (MTDC) for Federal awards where no negotiated indirect cost rate has been established.

OTHER AUDITOR'S REPORT

R.L. George CPAs and Advisors
28475 Greenfield Rd, Suite 113 #7638 Southfield, MI 48076
Phone: 248-201-6702
Email: RLANE@RLLANECPA.COM
Website: www.rlgeorgecpas.com

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
Los Angeles Room and Board

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 Room & Board (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results

of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Renisha Lane, CPA
Southfield, MI
November 14, 2025

R.L. George CPAs and Advisors
28475 Greenfield Rd, Suite 113 #7638 Southfield, MI 48076
Phone: 248-201-6702
Email: RLANE@RLLANECPA.COM
Website: www.rlgeorgecpas.com

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

To the Board of Directors of
Los Angeles Room & Board

Report on Compliance for Each Major Federal Program

We have audited compliance of Los Angeles Room and Board (the "Organization") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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, 2025.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.



Renisha Lane, CPA
Southfield, MI
November 14, 2025

SECTION 1. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major programs:

CFDA Numbers	Program Name
21.027	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Dollar threshold used to distinguish between **Type A** and Type B programs	$750,000
Auditee qualified as a low-risk auditee?	Yes

SECTION 2. FINANCIAL STATEMENT FINDINGS

None reported.

SECTION 3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.