PALOS VERDES ESTATES
FOUNDATION
HONORING OUR HISTORY | SECURING OUR FUTURE

Financial Statements

As of and for the Year Ended June 30, 2025

Palos Verdes Estates Foundation

Financial Statements

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Palos Verdes Estates Foundation

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FOUMBERG, JUNEJA,
ROCHER & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
16311 Ventura Blvd, Suite 1180, Encino CA 91436
(818) 981-6100 www.foumbergco.com

Independent Accountant's Review Report

To the Board of Directors
Palos Verdes Estates Foundation
Palos Verdes Estates, California

We have reviewed the accompanying financial statements of Palos Verdes Estates Foundation (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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Palos Verdes Estates Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Foumberg, Juneja, Rocher & Co., P.C.

Encino, California
August 20, 2026

Financial Statements

Palos Verdes Estates Foundation
Statement of Financial Position
June 30, 2025

Assets		
Cash and cash equivalents	$	388,139
Prepaid expenses and other assets		609
Total Assets	$	388,748
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$	7,534
Total Liabilities		7,534
Net Assets		
Without donor restrictions		189,243
With donor restrictions		191,971
Total Net Assets		381,214
Total Liabilities and Net Assets	$	388,748

See accompanying notes to financial statements.

Palos Verdes Estates Foundation
Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	$ 69,607	$ 93,313	$ 162,920
Interest income	4,556	-	4,556
Net assets released from restriction	285,550	(285,550)	-
Total Revenue and Support	359,713	(192,237)	167,476
Expenses:			
Program services	323,304	-	323,304
Management and general	52,183	-	52,183
Fundraising	29,175	-	29,175
Total Expenses	404,662	-	404,662
Change in Net Assets	(44,949)	(192,237)	(237,186)
Net Assets, beginning of year	234,192	384,208	618,400
Net Assets, end of year	$ 189,243	$ 191,971	$ 381,214

See accompanying notes to financial statements.

Palos Verdes Estates Foundation
Statement of Functional Expenses
Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Salaries	$ 32,500	$ 12,500	$ 5,000	$ 50,000
Payroll taxes	2,741	1,054	422	4,217
Grants and beautification projects	288,063	-	-	288,063
Advertising and marketing	-	-	4,319	4,319
Event expenses	-	-	14,753	14,753
Information technology expenses	-	4,541	1,086	5,627
Insurance	-	1,769	-	1,769
Office expenses	-	1,109	3,482	4,591
Professional fees	-	31,210	113	31,323
Total Expenses	$ 323,304	$ 52,183	$ 29,175	$ 404,662

See accompanying notes to financial statements.

Palos Verdes Estates Foundation
Statement of Cash Flows
Year Ended June 30, 2025

Cash Flows from Operating Activities		
Change in net assets	$	(237,186)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Changes in operating assets and liabilities:		
Prepaid expenses and other assets		698
Accounts payable and accrued expenses		1,877
Net cash flows used in operating activities and decrease in cash		(234,611)
Cash and Cash Equivalents, beginning of year		622,750
Cash and Cash Equivalents, end of year	$	388,139

See accompanying notes to financial statements.

1. Organization

Palos Verdes Estates Foundation (the "Foundation") is a California non-profit corporation. The Foundation was incorporated in November 2019. The mission of the Foundation is to strengthen the community of Palos Verdes Estates through public-private partnerships with the City of Palos Verdes Estates, augmenting cultural, recreational, lifestyle and safety programs.

2. Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Asset Classification
To ensure observance of certain constraints and restrictions placed on the use of resources, the Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets without Donor Restrictions: Net assets without donor restrictions are available for use at the discretion of the Board of Directors and management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. No such designations existed at June 30, 2025.

Net Assets with Donor Restrictions: Net assets with donor restrictions consists of assets whose use is limited by donor imposed, time and/or purpose restrictions. The Foundation reports cash or other assets received as revenues with donor restrictions 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 a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restriction. See Note 4 for more information on the composition of net assets with donor restrictions.

Cash and Cash Equivalents
Cash and cash equivalents consist of checking and savings accounts.

Fair Value Measurements
Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurements, establishes a framework for measuring fair value. That 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).

The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs or 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.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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.

Revenue Recognition

Contributions and grants, including any unconditional promises to give, are recognized as revenue in the period received and are reported as increases in the appropriate class of net assets. Conditional promises to give and grants are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions receivable if any are recorded at the net present value of cash expected to be received. No promises to give existed as of June 30, 2025.

Event income if any is presented on the statement of activities net of direct event expenses. Event income is recognized when the event occurs.

Donated Services and Non-cash gifts

Contributions of donated non-cash assets if any are recorded at fair value in the period received. Contributions of donated services if any that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation are recorded at fair value in the period received.

Concentrations of Business and Credit Risk

The Organization's cash and cash equivalents are maintained at a financial institution. The Organization has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by Federal Deposit insurance. Management believes the Foundation's credit risk with respect to this item is not significant.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs incurred by the Foundation that can be specifically identified as either program, management or fundraising expenses are allocated to these categories accordingly. This comprises most costs. Salaries however are allocated between the functions on the basis of the time spent by individuals on these functions.

Income Taxes

In November 2021 the Foundation received a letter from the Internal Revenue Service recognizing the Foundation as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, effective November 2019.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Foundation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Foundation's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States can require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

3. Liquidity and Availability of Resources

The Foundation monitors its financial assets available for expenditures within one year of the balance sheet date on a semi-annual basis. As of June 30, 2025, the balance available is as follows:

Cash and cash equivalents	$	388,139
Less cash unavailable for expenditure within one year due to: Restricted by donor with time or purpose restrictions		(191,971)
Financial assets available to meet cash needs for general expenditures within one year	$	196,168

As part of the Foundation's liquidity management the Foundation prepares semi-annual cash requirement projections which are used to ensure that needed balances are liquid and available for payment of general expenses in the near term. In addition, the Foundation employs an annual budgeting process and strategic planning process to ensure the Foundation will continue to be poised to have funds available to pay general expenses in the long term.

4. Net Assets

Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30, 2025:

Donor restricted as to purpose:		
ALPR camera project	$	190,218
Beautification project and holiday decorations		1,386
Disaster Preparedness		150
Neptune Fountain		217
Total net assets with donor restrictions	$	191,971

5. Subsequent Events

The Organization has evaluated subsequent events through August 20, 2026, which is the date the financial statements were available to be issued.