



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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JOHN NAIMO
ACTING AUDITOR-CONTROLLER

June 9, 2014

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: John Naimo
Acting Auditor-Controller

A handwritten signature in black ink that reads "John Naimo".

SUBJECT: ANNUAL REPORT ON FOUNDATIONS AND SUPPORT GROUPS

On January 4, 1994, your Board adopted requirements governing departmental relationships with foundations and support groups. The adopted procedures, which were also incorporated into the County Fiscal Manual, defined the types of organizations that qualify as "reportable foundations," and established requirements for County departments to monitor, account for, and report on their relationships with reportable foundations. These procedures also require County departments to file an annual benefit/cost report with the Board of Supervisors and the Auditor-Controller on each reportable foundation.

Attachment I summarizes the information provided by departments in their reports of foundation activities for Fiscal Year 2012-13. Attachment II lists the departments that did not report any foundation or support groups. This data is for information only and has not been audited.

Summary

County departments and commissions reported:

- Affiliations with 179 foundations. Sixteen County departments and commissions reported affiliations with one or more foundations, and 22 departments reported no affiliations.

- Receipt of \$111.8 million in tangible benefits from foundations. Eighty-nine percent of the reported tangible benefits were from the Museum of Art and the Museum of Natural History.
- County support (non-financial) provided to foundations totaling \$54.2 million. Seventy-three percent of the reported support was provided to the two museums. The museums reported tangible benefits in excess of County support provided.
- 114 foundations that provided more tangible benefits to the County than support received from the County. This includes 78 Public Library Friends/local support groups that were reported on as a group, not individually.
- 18 foundations that received more County support than the tangible benefits they provided to the County. In only four (22%) cases (the John Wesley Community Health Institute, Los Amigos Research & Education Institute, Inc., the Descanso Gardens Guild, Inc., and the Sheriff's Youth Foundation), were the County costs significant and, in each case, the County receives significant intangible benefits. In several cases, the departments/foundations did not identify or quantify the intangible benefits being received from the foundations. However, in each case, based on the purpose of the foundation, it appears the department or the County does receive intangible benefits from the foundations. Intangible benefits identified included volunteer services, research and training, grant support/funding, youth activities, and promoting goodwill in the community.
- Incomplete or no financial data for 48 foundations/support groups. (This includes 33 small neighborhood support groups reported on as a group by the Department of Parks and Recreation.) In most cases, departments reported intangible benefits and minimal or no County costs associated with the relationships.

Conclusion

County departments report that their affiliations with foundations have resulted in tangible and intangible benefits to the County that exceed the amount of support (financial and non-financial) provided to the foundations by the County.

Please call me if you have any questions, or your staff may contact Robert Smythe at (213) 253-0101.

JN:AB:RS:YK

Attachments

c: William T Fujioka, Chief Executive Officer
Sachi A. Hamai, Executive Officer, Board of Supervisors
Audit Committee

**Departments Reporting Associations with Foundations or Support Groups
in Fiscal Year 2012-13**

<u>Department</u>	<u>Number of Groups Reported</u>	<u>Group or Foundation</u>	<u>Departmental Support Provided to Foundation¹</u>	<u>Tangible Benefits Received by the County¹</u>	<u>Additional Intangible Benefits Received by the County¹</u>
Animal Care and Control	1	Los Angeles County (LAC) Animal Care Foundation	\$0	\$345,900	Yes
LAC Arts Commission (Board of Supervisors)	1	Ford Theater Foundation	85,400	47,500	Yes
Community Development Commission	1	LAC Community Development Foundation	126,800	180,400	Yes
Community and Senior Services	1	Human Relations Foundation of LAC	700	0	Yes
Fire Department	7	County of Los Angeles Firefighter Association Inc.	0	0	No
		LAC Firefighter Emerald Society and Pipes and Drums	0	0	No
		Chaplains Benevolent Fund	0	0	Yes
		LAC Lifeguard Association Trust Fund	0	0	Yes
		Explorer Program	200	0	Yes
		Association of Chiefs	0	1,000	Yes
		County of Los Angeles Fire Museum Association	0	5,000	Yes

¹ Support information is unaudited, and was either self-reported by departments on Annual Reporting Forms, or obtained using other information (e.g., the Foundation's Form 199 Annual Information Return, list of Foundation assets, etc.) to estimate support provided or benefits received. If the requested information was not reported and no other information was available, we indicated N/A in the appropriate column. All support was non-financial, with the exception of \$20,000 the Department of Public Works paid to the Santa Monica Bay Restoration Foundation (as approved by the Board of Supervisors).

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Health Services	15	Health Research Association	\$1,200	\$0	Yes
		John Wesley Community Health Institute	3,661,300	0	Yes
		The LAC/USC Medical Center Auxiliary	867,500	1,738,300	Yes
		Los Angeles BioMedical Research Institute	762,400	3,504,100	Yes
		Harbor-UCLA Medical Center Guild	11,900	23,000	Yes
		Harbor-UCLA Medical Foundation, Inc.	3,806,300	4,179,500	Yes
		King-Drew Medical Center Auxiliary	44,400	0	Yes
		Rancho Los Amigos Foundation	175,800	472,300	Yes
		Los Amigos Research & Education Institute, Inc.	858,300	503,900	Yes
		Patient Welfare Fund	0	130,900	Yes
		Canteen Fund	0	33,700	No
		Olive View-UCLA Education & Research Institute (ERI)	0	0	Yes
		Olive View Medical Center Auxiliary	15,500	4,300	Yes
		High Desert Auxiliary	12,600	3,000	Yes
		High Desert Hospital Professional Staff Association (PSA)	0	0	No
Mental Health	3	Friends of Coastal Asian Pacific Mental Health Services	200	800	No
		Guardian Circle	9,900	2,000	No
		Adult System of Care	0	0	No
Military & Veterans Affairs	1	Friends of Patriotic Hall	\$400	\$2,400	No

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Museum of Art	1	Museum Associates	27,767,000	75,391,000	No
Museum of Natural History	1	Museum of Natural History Foundation	12,037,000	23,455,700	Yes
Parks and Recreation	47	Small Neighborhood Support Groups - 33 groups	N/A	N/A	Yes
		San Gabriel Mountains Regional Conservancy	2,700	21,100	Yes
		Santa Clarita Valley Historical Society	0	0	No
		Bonelli Park Support Foundation	0	0	Yes
		Friends of Castaic Lake	0	29,400	Yes
		Friends of Hart Park	0	7,800	No
		Friends of Robinson Gardens	52,900	16,200	Yes
		Friends of Steinmetz Senior Center	84,800	5,700	Yes
		Los Angeles Arboretum Foundation (LAAF)	N/A	32,900	Yes
		Nature Center Association of LAC	4,200	0	Yes
		Schabarum Regional Park Support Foundation	0	2,600	Yes
		The South Coast Botanic Garden Foundation	0	257,600	Yes
		Val Verde Community Benefits Funding Committee	0	17,000	No
		Descanso Gardens Guild, Inc.	1,033,300	72,000	Yes
		Los Voluntarios	0	0	Yes
Probation	1	Casey Family Programs	0	291,500	Yes
Public Health	1	Immunization Coalition of Los Angeles County	64,900	0	Yes

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Public Library	79	Friends of the Library - 78 groups	\$74,200	\$420,600	Yes
		LAC Public Library Foundation	34,800	44,500	Yes
Public Works	1	Santa Monica Bay Restoration Foundation	20,000	0	Yes
Sheriff's	18	Sheriff's Youth Foundation	2,486,200	0	Yes
		Sheriff's Support Group of Altadena	0	43,800	Yes
		Crescenta Valley Sheriff's Support Group	18,300	46,900	Yes
		Antelope Valley Sheriff's Boosters	0	112,000	No
		Malibu Lost Hills Sheriff's Foundation	0	42,400	Yes
		Sheriff's Boosters Palmdale	0	18,000	Yes
		Santa Clarita Valley Sheriff's Foundation	0	0	Yes
		Temple Station Booster Club	0	0	Yes
		West Hollywood Sheriff's Booster Club	0	49,100	Yes
		Century Sheriff's Station Foundation	0	8,500	Yes
		Industry Sheriff's Youth Activities League	0	0	No
		Friends of Industry Sheriff's Station	0	0	No
		San Dimas Station Booster Club	1,300	11,200	No
		Walnut Diamond Bar Station Booster Club	1,100	7,000	Yes
		Marina Del Rey Sheriff's Support Unit	0	23,600	No
		Los Angeles Sheriff's Children's College Scholarship Fund	12,100	147,500	No
Friends of Lakewood Sheriff's Station	1,300	3,200	Yes		
Personal Reflection in Developing Ethics	83,100	0	Yes		
Total Support Groups	<u>179</u>		<u>\$54,220,000</u>	<u>\$111,756,800</u>	

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**Departments Reporting No Foundations or
Support Groups in Fiscal Year 2012-13**

1. Agricultural Commissioner/Weights and Measures
2. Alternate Public Defender
3. Assessor
4. Auditor-Controller
5. Beaches and Harbors
6. Board of Supervisors
7. Chief Executive Office
8. Chief Information Office
9. Children and Family Services (1)
10. Child Support Services
11. Consumer Affairs
12. Coroner
13. County Counsel
14. District Attorney
15. Human Resources
16. Internal Services Department
17. LACERA
18. Public Defender
19. Public Social Services
20. Registrar-Recorder/County Clerk
21. Regional Planning
22. Treasurer and Tax Collector

- (1) Children and Family Services reported association with Boys and Girls Club and Aspiranet. These do not qualify as reportable Foundations.