

**PUBLIC HEALTH FOUNDATION  
ENTERPRISES, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS  
SINGLE AUDIT  
YEAR ENDED JUNE 30, 2011**

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Public Health Foundation Enterprises, Inc. (PHFE)  
(A California Non-Profit Corporation)  
City of Industry, California

We have audited the accompanying statement of financial position of Public Health Foundation Enterprises, Inc. (PHFE) (A California Non-Profit Corporation) as of June 30, 2011 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of PHFE's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the PHFE financial statements and, in our report dated November 1, 2010, we expressed an unqualified opinion on those financial statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PHFE's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PHFE as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2011 on our consideration of PHFE'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

## INDEPENDENT AUDITORS' REPORT - Continued

Our audit was performed for the purpose of forming an opinion on the basic financial statements of PHFE taken as a whole. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 other 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 expenditure of federal and State awards is fairly stated in all material respects in relation to the financial statements as a whole.

Vorwin, Hagen + Co.

October 26, 2011

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2011**  
**(WITH COMPARATIVE TOTALS FOR 2010)**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,719,944	\$ 4,961,494
Contracts receivable, net	15,989,451	19,788,461
Agency funds receivable	77,088	56,126
Other receivables	48,882	10,297
Deposits and prepaid expenses	250,922	90,028
Property and equipment, net	<u>1,263,405</u>	<u>1,747,979</u>
Total assets	<u>\$ 25,349,692</u>	<u>\$ 26,654,385</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 5,087,198	\$ 4,375,093
Accrued payroll and related liabilities	8,246,859	8,879,256
Advance grantor payments	1,725,941	1,858,037
Accountability for program fixed assets	2,300,739	2,254,861
Capital leases payable	654,599	1,220,304
Agency funds payable	<u>190,254</u>	<u>248,894</u>
Total liabilities	18,205,590	18,836,445
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	5,048,263	4,420,789
Designated:		
Operating reserve	<u>1,066,857</u>	<u>1,262,057</u>
	6,115,120	5,682,846
Temporarily restricted	<u>1,028,982</u>	<u>2,135,094</u>
Total net assets	<u>7,144,102</u>	<u>7,817,940</u>
Total liabilities and net assets	<u>\$ 25,349,692</u>	<u>\$ 26,654,385</u>

See accompanying auditors' reports and  
notes to financial statements.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(WITH COMPARATIVE TOTALS FOR 2010)**

	2011			2010
	Unrestricted	Temporarily Restricted	Total	
<b>REVENUE AND SUPPORT</b>				
Governmental service contracts	\$ 119,813,535	\$ -	\$ 119,813,535	\$ 110,845,994
Private contracts	4,923,486	-	4,923,486	4,762,041
Management fees	8,638,787	-	8,638,787	7,206,299
Administrative fees	659,702	-	659,702	1,700,348
Other income	56,287	-	56,287	537,873
Dividends and interest income	-	-	-	8,414
Unrealized gain(loss) on investments	-	-	-	-
Gain (loss) on disposition of fixed assets	-	-	-	(182,439)
Contributions	197,267	792,146	989,413	1,474,979
In-kind revenue	527,493	-	527,493	166,750
Restrictions released	<u>1,898,258</u>	<u>(1,898,258)</u>	<u>-</u>	<u>-</u>
 Total revenue, support and restrictions released	 136,714,815	 (1,106,112)	 135,608,703	 126,520,259
<b>EXPENSES</b>				
Program services	127,115,410	-	127,115,410	118,608,602
Support services	<u>9,167,131</u>	<u>-</u>	<u>9,167,131</u>	<u>9,451,604</u>
	<u>136,282,541</u>	<u>-</u>	<u>136,282,541</u>	<u>128,060,206</u>
<b>CHANGE IN NET ASSETS</b>	432,274	(1,106,112)	(673,838)	(1,539,947)
<b>NET ASSETS - beginning of year</b>	<u>5,682,846</u>	<u>2,135,094</u>	<u>7,817,940</u>	<u>9,357,887</u>
<b>NET ASSETS - end of year</b>	<u>\$ 6,115,120</u>	<u>\$ 1,028,982</u>	<u>\$ 7,144,102</u>	<u>\$ 7,817,940</u>

See accompanying auditors' reports and  
notes to financial statements.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(WITH COMPARATIVE TOTALS FOR 2010)**

	<u>Program Services</u>	<u>Support Services</u>	<u>2011 Total Expenses</u>	<u>2010 Total Expenses</u>
<b>Salaries and related expenses</b>				
Salaries	\$ 64,846,047	\$ 4,333,371	\$ 69,179,418	\$ 63,804,781
Payroll taxes	5,275,575	319,000	5,594,575	5,165,306
Employee benefits	<u>10,284,337</u>	<u>658,076</u>	<u>10,942,413</u>	<u>10,272,358</u>
	80,405,959	5,310,447	85,716,406	79,242,445
<b>Other expenses</b>				
Activities and promotions	1,173,063	3,285	1,176,348	1,426,581
Communications	914,460	193,663	1,108,123	1,054,373
Conferences and meetings	677,139	137,132	814,271	779,202
Consultants	5,537,976	-	5,537,976	6,700,232
Contracted services	508,300	664,064	1,172,364	1,392,694
Equipment expense, under \$5,000	1,079,260	64,093	1,143,353	1,047,374
Equipment expense, over \$5,000	386,905	-	386,905	563,823
Equipment rental and maintenance	179,665	446,767	626,432	816,611
In-kind expenses	480,132	47,361	527,493	166,750
Insurance	73,575	331,857	405,432	311,043
Interest expense and bank charges	-	93,648	93,648	136,559
Management and indirect fees	9,313,062	-	9,313,062	8,838,324
Memberships and subscriptions	86,120	71,557	157,677	95,032
Office expense	-	284,918	284,918	438,519
Postage and shipping	587,103	35,799	622,902	510,176
Printing	406,827	5	406,832	366,236
Professional fees	97,489	2,289	99,778	203,510
Rent	5,830,011	628,234	6,458,245	6,482,117
Subcontractors	12,356,477	-	12,356,477	10,989,913
Supplies	4,559,944	-	4,559,944	3,689,563
Travel	<u>2,461,943</u>	<u>128,100</u>	<u>2,590,043</u>	<u>2,101,500</u>
	127,115,410	8,443,219	135,558,629	127,352,577
Depreciation	<u>-</u>	<u>723,912</u>	<u>723,912</u>	<u>707,629</u>
	<u>\$ 127,115,410</u>	<u>\$ 9,167,131</u>	<u>\$ 136,282,541</u>	<u>\$ 128,060,206</u>

See accompanying auditors' reports and  
notes to financial statements.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(WITH COMPARATIVE TOTALS FOR 2010)**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (673,838)	\$ (1,539,947)
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Depreciation	723,912	707,629
Miscellaneous noncash income	(196,967)	182,439
Contribution of program equipment from government	-	(902,578)
Disposition of program equipment	308,007	2,173,292
(Increase) decrease in:		
Contracts receivable, net	3,799,010	(2,567,283)
Agency funds receivable	(20,962)	(31,577)
Other receivables	(38,585)	(4,431)
Deposits and prepaid expenses	(160,894)	66,424
Increase (decrease) in:		
Accounts payable and accrued expenses	712,105	974,740
Accrued payroll and related liabilities	(632,397)	726,928
Advance grantor payments	(132,096)	(526,512)
Accountability for program fixed assets	45,878	(1,270,714)
Agency funds payable	(58,640)	(51,512)
Deferred revenue	-	(322,919)
Total adjustments	<u>4,348,371</u>	<u>(846,074)</u>
Net Cash Provided (Used) by Operating Activities	3,674,533	(2,386,021)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments related to the acquisition of fixed assets	<u>(350,378)</u>	<u>(31,514)</u>
Net Cash Provided (Used) by Investing Activities	(350,378)	(31,514)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal repayments related to capital purposes	<u>(565,705)</u>	<u>(373,116)</u>
Net Cash Provided (Used) by Financing Activities	<u>(565,705)</u>	<u>(373,116)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	2,758,450	(2,790,651)
<b>CASH AT BEGINNING OF YEAR</b>	<u>4,961,494</u>	<u>7,752,145</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 7,719,944</u>	<u>\$ 4,961,494</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	<u>\$ 71,834</u>	<u>\$ 102,736</u>

See accompanying auditors' reports and notes to financial statements.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**1. ORGANIZATION**

Public Health Foundation Enterprises, Inc. (PHFE) is a California Non-Profit Corporation established on August 6, 1968. PHFE's purposes are: through research and demonstration to add to public health knowledge about the cause, prevention, cure of diseases, condition or states detrimental to the health of the public including, but not limited to, basic environmental, epidemiological, clinical and administrative study, demonstration and research and its practical application thereto, to receive and administer funds for public health study, demonstration and research, all for the public welfare.

Substantially all of PHFE's revenue is received from annually renewable governmental service contracts and private grantors and foundations located in California.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

PHFE prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America for NFPs. The significant accounting and reporting policies used by PHFE are described below to enhance the usefulness and understandability of the financial statements.

*Financial Statement Presentation*

The financial statements are presented based on Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. ASC Topic 958, Sections 210 and 225 requires classification of PHFE's net assets, revenues as well as expenses based on the existence or absence of donor-imposed restrictions. The statement requires presentation of the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – in the statement of financial position and the amounts of change in each of those classes of net assets in the statement of activities.

*Net Assets*

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

- *Unrestricted net assets.* Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting for the nature of PHFE, 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 in the course of its operations.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

- *Temporarily restricted net assets.* Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. PHFE's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds. 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 temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by PHFE, unless the donor provides more specific directions about the period of its use.
- *Permanently restricted net assets.* Permanently restricted net assets are resources whose use by PHFE are limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The portion of PHFE's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets. Net losses on endowment investments reduce temporarily restricted net assets to the extent that net gains of the fund from prior years are unspent and classified there; remaining losses are classified as decreases in unrestricted net assets. If an endowment fund has no net gains from prior years, such as when a fund is newly established, net losses are classified as decreases in unrestricted net assets.

*Cash Equivalents*

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. At year-end, and throughout the year, PHFE's cash balances, deposited in one bank, exceeded federally insured limits. Management believes PHFE is not exposed to any significant credit risk on cash and cash equivalents.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Investments*

PHFE carries analyzed business checking accounts. The bank analyzes the account activity to determine the total price of services provided for each settlement period. The Bank will calculate an earnings allowance based on the account balance available to support activity and the Bank provides an analysis credit to offset the price of services. Account analysis earnings allowance rate is set each month based on current market conditions and is subject to change without prior notice.

Investments in marketable securities with readily redeemable fair values and all investments in debt securities are carried at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in restricted net assets in the accompanying statement of activities.

*Receivables*

Receivables are primarily unsecured amounts due from grantors on cost reimbursement or performance grants. Receivables are stated at the amount management expects to collect from outstanding balances.

*Accounting for Contributions*

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

*Contributed Goods and Services*

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Government Revenue*

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit under the Office of Management and Budget Circular A-133 and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, PHFE's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of PHFE.

*Accrued Vacation*

Accrued vacation benefits are accrued on a monthly basis. Full-time employees accrue vacation time based upon years of service to PHFE as follows:

<u>Years Employed</u>	<u>Annualized Accrual</u>
1 – 4 years	10 days
5 – 9 years	15 days
10 – 14 years	20 days
15 - 10 years	25 days
20 + years	30 days

Total accrued vacation at June 30, 2011, was \$713,239. Accrued vacation leave will be paid at the time of termination.

*Property and Equipment*

Land, buildings, property, and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land, buildings, and property are capitalized. Equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Automobile	5 years
Computer equipment	5 years
Furniture and equipment	5 years
Leasehold improvements	5 years

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*New Accounting Standards*

PHFE measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires PHFE to develop its own assumptions. PHFE's uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, PHFE measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2011, are Level 2 inputs.

*Income Taxes*

PHFE is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. PHFE is required to pay an annual filing fee to the State of California and other states it operates in.

PHFE has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2011, PHFE had no material unrecognized tax benefits, tax penalties or interest.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, PHFE's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. PHFE's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Expense Recognition and Allocation*

The cost of providing PHFE's programs and other activities are summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of PHFE.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. PHFE generally conducts its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

*Reclassifications*

Certain amounts in the 2010 comparative totals have been reclassified to conform with the 2011 reporting format.

*Comparative Totals*

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with PHFE's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(CONTINUED)**

**3. FAIR VALUE MEASUREMENTS**

PHFE reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which the Institute has access at the measurement date.
- *Level 2* - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3* - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and accounts receivable approximate fair value because of the terms and relatively short maturity of these financial instruments.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, PHFE measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

**4. PROGRAM EQUIPMENT**

Equipment purchased for grantors is the property of the grantor and is recorded as revenue and corresponding expense when acquired. PHFE capitalizes such equipment purchased, at cost, and also records a liability to the granting agency in an equal amount. Depreciation of property is provided over the estimated useful lives of the respective assets generally 3-7 years on a straight line basis. Upon contract termination such property is returned to the grantor.

During the year ended June 30, 2011 PHFE returned \$308,006 of property to the grantor which is reflected in the financial statements. The residual receipt revenue PHFE recorded for the returned assets at June 30, 2011 was \$196,967.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(CONTINUED)**

**5. PROPERTY AND EQUIPMENT**

The balance at June 30, 2011 consists of the following:

Fixed Assets	\$ 1,052,680
Leasehold improvements	118,992
Program Equipment	<u>2,300,739</u>
	3,472,411
Less: Accumulated depreciation	<u>(2,209,006)</u>
Property and equipment net	<u>\$ 1,263,405</u>

Depreciation expense for the year ended June 30, 2011 was \$723,912.

**6. CAPITAL LEASES**

PHFE acquired equipment under a long-term lease. For financial reporting purposes, the present value of the minimum lease payments has been capitalized. The leases expire June 2012 and November 2012. As of June 30, 2011 the property under these capital leases have a total cost of \$1,050,937, accumulated depreciation of \$710,381 and a net book value of \$340,555. The future minimum lease payments under these capital leases at June 30, are as follows:

2012	\$ 472,283
2013	<u>54,964</u>
Total minimum lease payments	527,247
Less amount representing interest	<u>(90,441)</u>
Capital leases payable	<u>\$ 436,806</u>

**7. AGENCY FUNDS**

PHFE administers Agency Fund Agreements, classified as unrestricted cash and liability for agency funds, for which a fee is received. During the year ended June 30, 2011 such fees earned were \$4,024 and have been classified as unrestricted revenue. Funds remaining at trust agreement completion are returned to the trustor.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(CONTINUED)**

**8. CONTINGENCIES**

Costs reported under government grants and contracts are subject to disallowance and possible refund upon final audit determination by such funding agencies.

PHFE is involved in certain litigation, arising from operations, the ultimate outcome of which is not susceptible to reasonable estimation at June 30, 2011.

On July 1, 2004 PHFE entered a workers' compensation claim reinsurance agreement which is partially collateralized by a \$686,440 Standby Letter of Credit. On July 1, 2005, an amendment to the letter of credit increased by \$375,321 for a total of \$1,061,761. (Note 9) Each succeeding year this Standby Letter of Credit has been reissued on the same terms and conditions as the one issued on July 1, 2005.

**9. BORROWING ARRANGEMENT**

During the year ended June 30, 2011, PHFE renewed a loan agreement with a bank which provides for a \$5,000,000 line of credit which expires March 31, 2012. The agreement contains certain financial covenants. Advances are collateralized by personal property of PHFE and bear interest at prime plus 1% or the LIBOR rate plus 2 <sup>3</sup>/<sub>4</sub>%. There were no amounts advanced pursuant to the agreement at June 30, 2011.

On July 1, 2004 PHFE entered a workers' compensation claim reinsurance agreement which is partially collateralized by a \$686,440 Standby Letter of Credit. On July 1, 2005, an amendment to the letter of credit increased by \$375,321 for a total of \$1,061,761. (Note 8) Each succeeding year this Standby Letter of Credit has been reissued on the same terms and conditions as the one issued on July 1, 2005.

**10. PAYROLL RELATED LIABILITIES**

The balance at June 30, 2011 consists of accrued payroll and related taxes, voluntary and employer fringe benefits, allowance for workers' compensation insurance, and unemployment benefits as described below.

On April 1, 1977, PHFE elected the reimbursable method of financing under the California Unemployment Insurance Code. Under this method, the liability for unemployment insurance premiums, are not paid to the State. Correspondingly, PHFE retains liability for unemployment insurance benefits of terminated employees for which provision has been made in the financial statements.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(CONTINUED)**

**11. LEASE COMMITMENTS**

PHFE has the following lease commitments:

Facilities Operating Leases

*Headquarters:*

PHFE has an operating lease agreement with RR & C Development Company and Patrician Associated, Inc. to lease spaces at 12801 Crossroads Parkway South, Suite 200, City of Industry, California, at a current rental cost of \$43,854 per month. In addition, PHFE maintains satellite offices in Orange County and Washington D.C.

Other Operating Leases

*Equipment:*

PHFE leases office equipment and facilities under several operating leases with terms expiring at various dates through 2019. The approximate minimum future annual rental commitments, under all significant operating leases as of June 30, 2011, is as follows:

2012	\$ 5,236,256
2013	3,624,776
2014	1,724,565
2015	839,546
2016	271,205

**12. RETIREMENT PLAN**

PHFE has provided a contributory qualified pre-tax retirement plan covering salaried employees with extended benefits working at least 50% time and hourly employees working at least 20 hours per week with extended benefits. Employer contributions to the plan vary from 5% to 10% of applicable compensation depending upon employee classification and were approximately \$4,043,463 for the year ended June 30, 2011.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(CONTINUED)**

**13. RESTRICTED NET ASSETS**

There were no permanently restricted net assets at June 30, 2011.

Temporarily restricted net assets balance at June 30, 2011 was \$1,028,982, and consisted of amounts restricted by donor-imposed stipulations for various programs.

**14. CONCENTRATION RISK**

PHFE maintains its cash balances in financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to federal limits as defined. At times, cash balances are in excess of the insured limit.

The majority of PHFE's contributions and grants are received from corporations, foundations, and individuals located in the greater Los Angeles metropolitan area and from agencies of the state of California. As such, PHFE's ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the state of California. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for PHFE's services.

PHFE's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to PHFE's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

**15. SUBSEQUENT EVENTS**

PHFE has evaluated events subsequent to June 30, 2011, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through October 26, 2011, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**GOVERNMENT AUDIT INFORMATION SECTION**

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes        X   None Reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes        X   None Reported

Type of auditors' report issued on compliance for major programs Unqualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? \_\_\_\_\_ Yes        X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.578	WIC Grants To States (WGS)
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
93.712	ARRA - Immunization
93.717	ARRA - Preventing Healthcare-Associated Infections
93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance
93.268	Immunization Grants
93.069	Public Health Emergency Preparedness
93.723	ARRA - Prevention and Wellness State, Territories and Pacific Islands
93.724	ARRA - Prevention and Wellness – Communities Putting Prevention to Work
93.701	Funding Opportunities Announcement (FOA)
93.709	Trans-NIH Recovery Act Research Support
	ARRA - Early Head Start
	Research Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 3,357,926

Auditee qualified as low-risk auditee?   X   Yes      \_\_\_\_\_ No

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.

**INDEPENDENT AUDITORS' 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**  
**(NO MATERIAL WEAKNESSES IDENTIFIED, NO SIGNIFICANT DEFICIENCIES IDENTIFIED, NO**  
**REPORTABLE INSTANCES OF NONCOMPLIANCE OR OTHER MATTERS IDENTIFIED)**

To the Board of Directors of  
Public Health Foundation Enterprises, Inc. (PHFE)  
(A California Non-Profit Corporation)  
City of Industry, California

We have audited the financial statements of Public Health Foundation Enterprises, Inc. (PHFE) (A California Non-Profit Corporation) as of and for the year ended June 30, 2011, and have issued our report thereon dated October 26, 2011. 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.

Internal Control Over Financial Reporting

Management of PHFE is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered PHFE's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PHFE's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of PHFE's internal control over financial reporting.

*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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether PHFE's financial statements are free of 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*.

This report is intended solely for the information and use of the audit committee, management, board of directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Vorwin, Hagen + Co.

October 26, 2011

**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133  
(UNQUALIFIED OPINION ON COMPLIANCE; NO MATERIAL WEAKNESSES OR SIGNIFICANT  
DEFICIENCIES IN INTERNAL CONTROL OVER COMPLIANCE IDENTIFIED)**

To the Board of Directors of  
Public Health Foundation Enterprises, Inc. (PHFE)  
(A California Non-Profit Corporation)  
City of Industry, California

Compliance

We have audited Public Health Foundation Enterprises, Inc.'s (PHFE) (A California Non-Profit Corporation) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of PHFE's major federal programs for the year ended June 30, 2011. PHFE's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of PHFE's management. Our responsibility is to express an opinion on PHFE's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 PHFE'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. Our audit does not provide a legal determination of PHFE's compliance with those requirements.

In our opinion, PHFE complied, in all material respects, with the 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, 2011.

## Internal Control Over Compliance

Management of PHFE is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered PHFE's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 PHFE'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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the audit committee, management, board of directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vorlein, Hagen + Co.

October 26, 2011

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>MAJOR PROGRAMS</b>								
<b>U.S. Department of Agriculture - Direct</b>								
WIC ARRA ISIS Project	10.578	0885459	State of California-DPH	2342.001	Direct	10/01/09	09/30/10	339,480
<b>WIC Grants to States (WGS) - American Recovery Reinvestment Act</b>								<b>339,480</b>
<b>U.S. Department of Agriculture - Food and Nutrition Service - Passed Through</b>								
Passed Through the State of California - Department of Human Services								
Women, Infant & Children	10.557	0885459	State of California-DHS	0005.016	Pass	10/01/09	09/30/10	17,011,138
Women, Infant & Children	10.557	0885459	State of California-DHS	0005.017	Pass	10/01/10	09/30/11	37,814,881
<b>Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program)</b>								<b>54,826,019</b>
Passed Through the State of California - California Department of Education								
Angels Childcare Food Program	10.558	1930450F	California Dept. of Education	0394.009	Pass	10/01/09	09/30/10	1,145,067
Angels Childcare Food Program	10.558	1930450F	California Dept. of Education	0394.010	Pass	10/01/10	09/30/11	3,228,619
<b>Child and Adult Care Food Program</b>								<b>4,373,686</b>
<b>U.S. Department of Health and Human Services - Centers for Disease Control and Prevention - Direct</b>								
CEIP ARRA-317	93.712	3U01C100030905S2	DHHS-CDC	2307.001	Direct	09/01/09	12/31/11	211,721
ELC ARRA 317-MCV	93.712	3U50C192367705S2	DHHS-CDC	2308.001	Direct	09/01/09	12/31/11	71,567
ELC 317 Rotavirus ARRA	93.712	3U50C192367705S4	DHHS-CDC	2367.001	Direct	09/01/10	12/31/11	227,248
<b>ARRA-Immunization</b>								<b>510,536</b>
CEIP ARRA-HealthCare	93.717	3U01C100030905S1	DHHS-CDC	2306.001	Direct	09/01/09	12/29/11	218,352
ELC-ARRA-HAI	93.717	3U50C192367705S1	DHHS-CDC	2309.001	Direct	09/01/09	12/31/11	1,201,719
<b>ARRA-Preventing Healthcare- Associated Infections</b>								<b>1,420,071</b>
CEIP	93.283	5U01C100030905	DHHS-CDC	0235.012	Direct	12/01/08	12/31/11	3,190,099
Epidemiology & Lab	93.283	5U50C192367705	DHHS-CDC	0310.010	Direct	01/01/09	12/31/11	2,439,066
Adult Viral Hepatitis Pre	93.283	5U51PS00090003	DHHS-CDC	2203.003	Direct	11/01/09	10/31/10	49,259
Enhancing California NBS	93.283	5U50DD00047502	DHHS-CDC	2253.002	Direct	09/30/09	09/29/10	76,956
Enhancing California NBS	93.283	5U50DD00047502	DHHS-CDC	2253.003	Direct	09/30/10	12/29/11	91,025
CA Hemoglobinopathy Surve	93.283	1U50DD00056801	DHHS-CDC	2328.001	Direct	02/12/10	02/11/11	372,019
CA Hemoglobinopathy Surve	93.283	5U50DD00056802	DHHS-CDC	2328.002	Direct	02/12/11	05/11/12	200,949
<b>CDC and Prevention_ Investigation and Technical Assistance</b>								<b>6,419,373</b>
<b>U.S. Department of the Interior - National Park Service - Direct</b>								
NPS Vector Borne Diseases	93.283	H2480070003	US Dept of Int-Natl Park Serv	2189.001	Direct	09/21/07	09/30/12	12,790
<b>CDC and Prevention_ Investigation and Technical Assistance</b>								<b>12,790</b>

The above schedule was prepared on the accrual basis of accounting.  
See accompanying auditors' reports and notes to basic financial statements.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>MAJOR PROGRAMS - CONTINUED</b>								
<b>U.S. Department of Health and Human Services - Centers for Disease Control and Prevention - Passed Through</b>								
Passed Through the State of California Department of Public Health								
Statewide Immunization Re	93.712	0911511	State of California-DPH	0215.014	Pass	07/01/10	06/30/11	610,219
<b>ARRA-Immunization</b>								<b>610,219</b>
Passed Through the County of LA - Public Health								
Influenza Incidence Surv	93.283	PH001416	County of LA-Public Health	2405.001	Pass	06/01/11	05/31/12	4,372
<b>CDC and Prevention_ Investigation and Technical Assistance</b>								<b>4,372</b>
Passed Through the Association of Public Health Lab								
Influenza Virus Isolation	93.283	None	Assoc of Public Health Lab	2301.001	Pass	07/20/09	06/30/12	92,688
Antiviral Res. Screening	93.283	None	Assoc of Public Health Lab	2319.001	Pass	10/19/09	06/30/12	29,379
MultiCtr Eval. A(H1N1)	93.283	None	Assoc of Public Health Lab	2333.001	Pass	02/10/10	06/30/12	44,268
<b>CDC and Prevention_ Investigation and Technical Assistance</b>								<b>166,335</b>
Passed Through the NACCHO								
SFDPH APC	93.283	2009100107	NACCHO	2304.001	Pass	10/01/09	09/29/10	188,614
SFDPH APC	93.283	2010092007	NACCHO	2304.002	Pass	09/30/10	09/29/11	237,185
<b>CDC and Prevention_ Investigation and Technical Assistance</b>								<b>425,799</b>
Passed Through the State of California Department of Public Health								
Imm Proj Subvention	93.268	0911510	State of California-DPH	0153.015	Pass	07/01/09	06/30/10	36,724
Imm Proj Subvention	93.268	0911510	State of California-DPH	0153.016	Pass	07/01/10	06/30/11	2,517,789
Vaccines for Children	93.268	0765406	State of California-DPH	0183.014	Pass	07/01/09	06/30/10	8,086
California Immunizations	93.268	1095224	State of California-DPH	0183.015	Pass	07/01/10	06/30/11	2,599,421
Statewide Immunization Re	93.268	0911511	State of California-DPH	0215.013	Pass	07/01/09	06/30/10	74,368
Statewide Immunization Re	93.268	0911511	State of California-DPH	0215.014	Pass	07/01/10	06/30/11	3,457,908
Bioterrorism Planning	93.268	0911525	State of California-DPH	2264.002	Pass	09/01/09	08/31/10	48,160
<b>Immunization Grants</b>								<b>8,742,456</b>

The above schedule was prepared on the accrual basis of accounting.  
See accompanying auditors' reports and notes to basic financial statements.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Health and Human Services - Centers for Disease Control and Prevention - Passed Through (Continued)</b>								
Passed Through the State of California Department of Public Health								
California Dept. of Health Services	93.069	0765876	State of California-DPH	0713.005	Pass	09/01/09	06/30/10	112,204
California Dept. of Health Services	93.069	0765876	State of California-DPH	0713.006	Pass	07/01/10	12/31/10	<u>452,644</u>
<b>National Bioterrorism Hospital Preparedness Program</b>								<b>564,848</b>
Passed Through the State of California Department of Public Health								
H1N1 Emergency Response	93.069	0911695	State of California-DPH	2312.001	Pass	10/15/09	03/31/11	1,384,443
H1N1 Lab Testing	93.069	0911693	State of California-DPH	2315.001	Pass	08/09/09	08/08/10	68,152
VRDL	93.069	0911693	State of California-DPH	2315.002	Pass	08/09/10	08/31/11	<u>34,790</u>
<b>Public Health Emergency Preparedness</b>								<b>1,487,385</b>
Passed Through the County of LA - Public Health								
CDC Base	93.069	H702550	County of LA-Public Health	2008.006	Pass	08/10/09	07/31/11	1,418,414
CDC Base	93.069	H702550	County of LA-Public Health	2008.007	Pass	08/10/10	08/09/11	2,330,005
PHER PHASE I & II-Area I	93.069	PH001531	County of LA-Public Health	2408.001	Pass	03/01/11	07/30/11	<u>106,406</u>
<b>Public Health Emergency Preparedness</b>								<b>3,854,825</b>
Passed Through the SFDPH								
Emergency Planning	93.069	DPHC11000789	SFDPH	2368.001	Pass	09/01/10	06/30/12	<u>30,447</u>
<b>Public Health Emergency Preparedness</b>								<b>30,447</b>
Passed Through the County of Contra Costa								
Contra Costa Co Hlth Svc	93.069	2280617	The County of Contra Costa	0374.009	Pass	07/01/10	06/30/11	<u>191,934</u>
<b>Public Health Emergency Preparedness</b>								<b>191,934</b>
Passed Through the State of California - Department of Public Health								
CYAN - ARRA	93.723	1095121	State of California-DPH	2361.001	Pass	07/01/10	06/30/11	<u>58,056</u>
<b>ARRA Prevention and Wellness State, Territories and Pacific Islands</b>								<b>58,056</b>
Passed Through the County of Santa Clara								
CYAN Santa Clara	93.724	None	County of Santa Clara	2356.001	Pass	08/01/10	03/31/11	63,558
CYAN Santa Clara	93.724	None	County of Santa Clara	2356.002	Pass	03/19/11	03/18/12	<u>37,542</u>
<b>ARRA-Prevention and Wellness Communities Putting Prevention to Work Funding Opportunities</b>								<b>101,100</b>
Passed Through the County of LA - Public Health								
RENEW	93.724	PH001116	County of LA-Public Health	2344.001	Pass	03/19/10	03/18/12	<u>4,651,158</u>
<b>ARRA-Prevention and Wellness Communities Putting Prevention to Work Funding Opportunities</b>								<b>4,651,158</b>

The above schedule was prepared on the accrual basis of accounting.  
See accompanying auditors' reports and notes to basic financial statements.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Health and Human Services - National Institutes of Health - Direct</b>								
SF Vaccine and Prevention	93.701	3U01AI06949603S1	DHHS-NIH	2283.001	Direct	06/05/09	09/30/10	31,303
SF Vaccine S2	93.701	3U01AI06949603S2	DHHS-NIH	2296.001	Direct	09/01/09	08/31/12	<u>1,240,941</u>
<b>Trans-NIH Recovery Act Research Support</b>								<b>1,272,244</b>
<b>U.S. Department of Health and Human Services - National Institutes of Health - Passed Through</b>								
Passed Through the Regents University of CA - San Francisco								
Clinical & Transitional	93.701	5739SC	Regents Univ of CA- San Fran	2316.001	Pass	09/29/09	09/28/11	<u>164,121</u>
<b>Trans-NIH Recovery Act Research Support</b>								<b>164,121</b>
Passed Through the University of Miami								
AWARE	93.701	66623K	University of Miami	2324.001	Pass	09/30/09	08/31/10	362,312
AWARE	93.701	66623K	University of Miami	2324.002	Pass	09/01/10	10/31/11	<u>1,050,963</u>
<b>Trans-NIH Recovery Act Research Support</b>								<b>1,413,275</b>
Passed Through the Child & Family Comm of OC								
OCACHR - PS91 ARRA	93.701	PS91	Child & Fam Comm of OC	2398.001	Pass	09/23/10	09/22/11	<u>275</u>
<b>Trans-NIH Recovery Act Research Support</b>								<b>275</b>
Passed Through the San Francisco - Department of Public Health								
SOAR	93.702	DPHC10001114	SFDPH	2351.001	Pass	03/04/10	03/03/11	31,843
SOAR - IT	93.702	Pending	SFDPH	2351.002	Pass	03/04/11	03/03/12	<u>22,802</u>
<b>National Center for Research Resources, Recovery Act Construction Support</b>								<b>54,645</b>
<b>U.S. Department of Health and Human Services - Administration for Children and Families - Passed Through</b>								
Passed Through the Rancho Santiago Community College D								
HABLA/Early Head Start	93.709	09SA909101	Rancho Santiago Comm College D	2329.001	Pass	12/01/09	09/30/10	117,650
HABLA/Early Head Start	93.709	09SA909102	Rancho Santiago Comm College D	2329.002	Pass	09/30/10	09/29/11	<u>280,440</u>
<b>ARRA-Early Head Start</b>								<b>398,090</b>
<b>U.S. Department of Health and Human Services - Office of the Secretary - Passed Through</b>								
Passed Through the State of California - Department of Public Health								
CA DCDC Bio-T Enhancement	93.069	0546060A02	State of California-DPH	0714.002	Pass	07/01/05	08/31/10	<u>642,377</u>
<b>Public Health Emergency Preparedness</b>								<b>642,377</b>
Passed Through the State of South Dakota								
So.Dakota Health Dept	93.069	11SC090653	State of South Dakota	0735.001	Pass	09/15/10	09/30/11	<u>12,600</u>
<b>Public Health Emergency Preparedness</b>								<b>12,600</b>
<b>Total Major Programs</b>								<b>\$ 92,748,516</b>

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**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
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**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Energy - Direct</b>								
National Freedom Prize	81.087	DEFC3607G017111	Department of Energy	2208.001	Direct	10/01/07	03/31/11	\$ <u>11,397</u>
<b>Renewable Energy Research and Development</b>								<b>11,397</b>
<b>U.S. Department of Health and Human Services - Centers for Disease Control and Prevention - Direct</b>								
Reducing Sexual Risk	93.941	UR6PS00068401	DHHS-CDC	2186.001	Direct	09/30/07	09/29/08	(21,674)
Reducing Sexual Risk	93.941	5UR6PS00068402	DHHS-CDC	2186.002	Direct	09/30/08	09/29/09	(5,726)
Reducing Sexual Risk	93.941	5UR6PS00068403	DHHS-CDC	2186.003	Direct	09/30/09	09/29/10	101,153
Reducing Sexual Risk	93.941	5UR6PS00068404	DHHS-CDC	2186.004	Direct	07/01/10	09/29/11	271,314
HIV Screening	93.941	5U65PS00081402	DHHS-CDC	2191.002	Direct	09/30/08	06/30/10	<u>1,000</u>
<b>HIV Demonstration, Research, Public and Professional Education</b>								<b>346,067</b>
HIV MSM Prevention Study	93.RD	200200303007	DHHS-CDC	0475.007	Direct	10/01/09	09/29/10	<u>50,145</u>
<b>Research contract w/no cfda#</b>								<b>50,145</b>
<b>U.S. Department of Health and Human Services - Centers for Disease Control and Prevention - Passed Through</b>								
Passed Through the County of LA - Public Health								
HIV/AIDS Jails Project	93.943	PH000597	County of LA-Public Health	2279.003	Pass	07/01/10	12/31/10	<u>72,617</u>
<b>Epidemiologic Research Studies of AIDS and HIV</b>								<b>72,617</b>
Passed Through the San Francisco Department of Public Health								
Expanded Testing 2010	93.943	DPHC11001031	SFDPH	2384.001	Pass	09/30/10	09/29/11	24,351
Evaluation & Data Mgmt	93.943	DPHC11000558	SFDPH	2327.001	Pass	01/01/10	06/30/11	<u>27,926</u>
<b>Epidemiologic Research Studies of AIDS and HIV</b>								<b>52,277</b>
Passed Through the SeraCare Life Science, Inc.								
Seroconverter Specimen	93.RD	200200410206	SeraCare Life Science, Inc.	2226.003	Pass	01/01/10	08/31/10	12,666
Seroconverter Specimen	93.RD	200201037066	SeraCare Life Science, Inc.	2226.004	Pass	09/10/10	09/30/11	<u>29,776</u>
<b>Research contract w/no cfda#</b>								<b>42,442</b>
Passed Through the State of California - Department of Public Health								
STD Awareness Prevention	93.978	0911190	State of California-DPH	0133.017	Pass	07/01/10	12/31/11	<u>37,827</u>
<b>Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations &amp; Public Information &amp; Education Grants</b>								<b>37,827</b>
Passed Through the State of California - Department of Public Health								
STD Awareness Prevention	93.941	0911190	State of California-DPH	0133.017	Pass	07/01/10	12/31/11	<u>3,783</u>
<b>HIV Demonstration, Research, Public and Professional Education</b>								<b>3,783</b>
Passed Through the County of LA - Public Health								
HIV Epi Prog CDC Projects	93.941	PH001416W1	County of LA-Public Health	2387.001	Pass	01/01/11	12/31/11	<u>21,721</u>
<b>HIV Demonstration, Research, Public and Professional Education</b>								<b>21,721</b>

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**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
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**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Health and Human Services - National Institutes of Health - Direct</b>								
Hair as a Biomarker	93.242	5R21MH08559802	DHHS-NIH	2271.002	Direct	03/01/10	08/28/11	165,896
<b>Mental Health Research Grants</b>								<b>165,896</b>
Mirtazapine Study	93.279	1R01DA02215503	DHHS-NIH	2127.003	Direct	06/01/08	05/31/10	(3,594)
Aripiprazole Treatment	93.279	5R01DA02219003	DHHS-NIH	2131.003	Direct	08/01/08	07/31/10	38,314
Aripiprazole to Reduce	93.279	5R011DA023387	DHHS-NIH	2192.002	Direct	02/01/09	01/31/11	309,869
Aripiprazole to Reduce	93.279	5R01DA023387	DHHS-NIH	2192.003	Direct	02/01/11	01/31/12	226,295
<b>Drug Abuse and Addiction Research Programs</b>								<b>570,884</b>
SF Vaccine and Prevention	93.855	5U01AI06949604	DHHS-NIH	0325.010	Direct	01/01/10	12/31/10	184,145
SF Vaccine and Prevention	93.855	5U01AI06949605	DHHS-NIH	0325.011	Direct	01/01/11	12/31/11	378,400
Prevention Umbrella for M	93.855	1R01AI08306001	DHHS-NIH	2278.001	Direct	04/10/09	03/31/10	(3,847)
Prevention Umbrella for M	93.855	5R01AI08306002	DHHS-NIH	2278.002	Direct	04/01/10	03/31/11	581,225
Prevention Umbrella for M	93.855	5R01AI08306003	DHHS-NIH	2278.003	Direct	04/01/11	03/31/12	140,032
<b>Allergy, Immunology and Transplantation Research</b>								<b>1,279,955</b>
<b>U.S. Department of Health and Human Services - National Institutes of Health - Passed Through</b>								
Passed Through the Social & Scientific Systems								
IMPAACT	93.242	BRSIMPCTQ0600168T001	Social & Scientific Systems	2144.003	Pass	06/01/08	12/31/10	20,637
<b>Mental Health Research Grants</b>								<b>20,637</b>
Passed Through the San Francisco Department of Public Health								
HIV Serosorting Program	93.242	DPHC10000595	SFDPH	2151.004	Pass	01/01/10	12/31/10	90,375
International Mobility	93.242	DPHC10000595	SFDPH	2228.003	Pass	09/01/09	08/31/10	26,791
International Mobility	93.242	DPHC11000768	SFDPH	2228.004	Pass	09/01/10	08/31/11	129,718
<b>Mental Health Research Grants</b>								<b>246,884</b>
Passed Through the Regents University of CA - San Francisco								
A Randomized Controlled	93.242	6291sc	Regents Univ of CA- San Fran	2374.001	Pass	08/01/10	07/31/11	15,974
Center for AIDS Preventio	93.242	6602sc	Regents Univ of CA- San Fran	2403.001	Pass	09/01/10	08/31/11	8,049
<b>Mental Health Research Grants</b>								<b>24,023</b>
Passed Through RTI International								
STT Finding Testing Treat	93.242	13120212795	RTI International	2382.001	Pass	09/30/10	06/30/12	30,257
<b>Mental Health Research Grants</b>								<b>30,257</b>
Passed Through the Regents University of CA - San Francisco								
Clinical Trials Network	93.279	5052sc	Regents Univ of CA- San Fran	2179.004	Pass	09/01/09	08/31/10	19,726
Clinical Trials Network	93.279	6419sc	Regents Univ of CA- San Fran	2179.005	Pass	09/01/10	08/31/11	78,954
<b>Drug Abuse and Addiction Research Programs</b>								<b>98,680</b>

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**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
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**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Health and Human Services - National Institutes of Health - Passed Through (Continued)</b>								
Passed Through RTI International								
Low FHI	93.279	13120210798	RTI International	2209.003	Pass	07/01/09	07/31/10	5,040
Assessing Patterns/RTI	93.279	13120212248	RTI International	2311.001	Pass	08/01/09	07/31/11	3,940
International Feasibility	93.279	23120212047	RTI International	2331.001	Pass	01/01/10	12/31/11	13,004
Exploratory Research Drug	93.279	13120212890	RTI International	2394.001	Pass	03/01/11	08/31/12	<u>17,556</u>
<b>Drug Abuse and Addiction Research Programs</b>								<b>39,540</b>
Passed Through the Fred Hutchinson Cancer Research Center								
HVTN-Leadership Group	93.855	678005	Fred Hutchinson Cancer Res Ctr	0424.009	Pass	06/01/09	05/31/10	6,211
HVTN-Leadership Group	93.855	0000692496	Fred Hutchinson Cancer Res Ctr	0424.010	Pass	06/01/10	05/31/11	47,719
HVTN-Leadership Group	93.855	716042	Fred Hutchinson Cancer Res Ctr	0424.011	Pass	06/01/11	05/31/12	211
Fred Hutch Leadership MA	93.855	695368	Fred Hutchinson Cancer Res Ctr	2365.001	Pass	05/17/10	04/30/11	30,703
On-Line Collaborative HVTN	93.855	0000675461	Fred Hutchinson Cancer Res Ctr	2025.006	Pass	06/01/09	05/31/10	(3,935)
Online Collaborative HVTN	93.855	0000692499	Fred Hutchinson Cancer Res Ctr	2025.007	Pass	06/01/10	05/31/11	21,799
Online Collaborative HVTN	93.855	716043	Fred Hutchinson Cancer Res Ctr	2025.008	Pass	06/01/11	05/31/12	4,562
HVTN PIF 2	93.855	0000658015	Fred Hutchinson Cancer Res Ctr	2259.001	Pass	06/01/08	05/31/12	122,850
USA HIV Vaccine Trials	93.855	695975	Fred Hutchinson Cancer Res Ctr	2294.002	Pass	06/01/10	05/31/11	193,015
USA HIV Vaccine Trials	93.855	716833	Fred Hutchinson Cancer Res Ctr	2294.003	Pass	06/01/11	05/31/12	39,765
HVTN 505	93.855	677513	Fred Hutchinson Cancer Res Ctr	2302.001	Pass	06/01/09	05/31/10	51,639
HVTN 505	93.855	694548	Fred Hutchinson Cancer Res Ctr	2302.002	Pass	06/01/10	05/31/11	405,407
HVTN 505	93.855	719047	Fred Hutchinson Cancer Res Ctr	2302.003	Pass	06/01/11	05/31/12	<u>42,086</u>
<b>Allergy, Immunology and Transplantation Research</b>								<b>962,032</b>
Passed Through the University of Texas								
Nucleophilic Antibodies	93.855	5R01AI06702004	University of Texas	2164.004	Pass	02/01/10	01/31/11	65,528
Nucleophilic Antibodies	93.855	5R01AI06702004	University of Texas	2164.005	Pass	02/01/11	01/31/12	<u>17,255</u>
<b>Allergy, Immunology and Transplantation Research</b>								<b>82,783</b>
Passed Through the University of Washington								
MRCE for Biodefense & EID	93.855	WU10305	University of Washington	2284.002	Pass	03/01/10	03/31/11	23,096
MRCE for Biodefense & EID	93.855	WU11253	University of Washington	2284.003	Pass	03/01/11	02/29/12	<u>9,835</u>
<b>Allergy, Immunology and Transplantation Research</b>								<b>32,931</b>
Passed Through the Regents University of CA - San Diego								
Rapid Tests for Drug Resi	93.855	1U01AI08222901	Regents Univ of CA-San Diego	2345.001	Pass	02/01/10	08/31/10	43,915
Rapid Tests for Drug Resi	93.855	1U01AI08222901	Regents Univ of CA-San Diego	2345.002	Pass	09/01/10	08/31/11	<u>94,974</u>
<b>Allergy, Immunology and Transplantation Research</b>								<b>138,889</b>
Passed Through the John Hopkins University								
HPTN 027/MU Testing	93.855	None	John Hopkins University	2348.001	Pass	11/01/09	01/31/11	<u>5,951</u>
<b>Allergy, Immunology and Transplantation Research</b>								<b>5,951</b>

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<b>U.S. Department of Health and Human Services - National Institutes of Health - Passed Through (Continued)</b>								
Passed Through the University of Texas GP 120 HIV Vaccines	93.856	5R01AI05886504	University of Texas	0498.005	Pass	01/01/08	06/30/12	4,754
	<b>Microbiology &amp; Infectious Diseases Research</b>							<b>4,754</b>
Passed Through Gladstone PREPARE	93.856	R2132I	Gladstone	2391.001	Pass	02/01/11	01/31/12	1,281,363
	<b>Microbiology &amp; Infectious Diseases Research</b>							<b>1,281,363</b>
Passed Through the Regents University of California Flash Heated Breast HIV	93.865	0700077	Regents Univ of California	2196.002	Pass	09/01/08	07/31/11	2,024
	<b>Child Health and Human Development Extramural Research</b>							<b>2,024</b>
Passed Through RTI International RTI/Yo Puedo	93.865	13120212729	RTI International	2390.001	Pass	02/15/11	08/31/11	8,679
	<b>Child Health and Human Development Extramural Research</b>							<b>8,679</b>
<b>Passed Through the University of Alabama</b>								
Home Screening for BV	93.RD	None	University of Alabama	2229.002	Pass	01/01/09	09/28/10	26,801
Home Screening for BV	93.RD	None	University of Alabama	2229.003	Pass	09/29/10	09/28/11	94,193
	<b>Research contract w/no cfda#</b>							<b>120,994</b>
<b>U.S. Department of Health and Human Services - Office of Population Affairs - Direct</b>								
In Touch	93.974	6FPRPA0060460101	DHHS-Office of Population Affa	2298.001	Direct	09/01/09	08/31/10	152,911
In Touch	93.974	6FPRPA0060460202	DHHS-Office of Population Affa	2298.002	Direct	09/01/10	08/31/11	106,635
	<b>Family Planning_Service Delivery Improvement Research Grants</b>							<b>259,546</b>
<b>U.S. Department of Treasury - Internal Revenue Service - Passed Through</b>								
Discovery of IDAVI	93.RD	None	Susavion	2378.001	Pass	11/30/10	11/30/11	30,322
	<b>Research contract w/no cfda#</b>							<b>30,322</b>
<b>Total Research Programs</b>								<b>\$ 6,045,300</b>
<b>Total Major Programs</b>								<b>\$ 98,793,816</b>

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<b>U.S. Department of Agriculture - Food and Nutrition Service - Passed Through</b>								
Passed Through the County of LA - Public Health								
Network for a Healthy CA	10.561	PH000564	County of LA-Public Health	2064.006	Pass	10/01/09	09/30/10	\$ 139,394
Network for a Healthy CA	10.561	PH000564	County of LA-Public Health	2064.007	Pass	10/01/10	09/30/11	<u>562,027</u>
<b>State Administration Matching Grants for the Supplemental Nutrition Assistance Program</b>								<b>701,421</b>
<b>U.S. Department of Housing and Urban Development - Office of Community Planning and Development - Passed Through</b>								
Passed Through the City of LA - Department of Disability								
Clean Needles Now	14.218	C113444	City of LA- Dept of Disability	0301.013	Pass	04/01/10	03/31/11	93,681
Syringe Exchange Program	14.218	C119065	City of LA- Dept of Disability	0301.014	Pass	04/01/11	03/31/12	<u>21,655</u>
<b>Community Development Block Grants/Entitlement Grants</b>								<b>115,336</b>
<b>U.S. Department of Justice - Office of Juvenile Justice and Delinquency Prevention - Direct</b>								
East Hollywood Gang Inter	16.541	2010JLFX0576	DOJ-Office of Justice Programs	2371.001	Direct	08/01/10	07/31/11	<u>30,406</u>
<b>Part E-Developing, Testing, Demonstrating Promising New Programs</b>								<b>30,406</b>
<b>U.S. Department of Education - Office of Special Education and Rehabilitative Services - Passed Through</b>								
Passed Through the State Department of Developmental Services								
Family Resource Center	84.181	HD099045	State of California-DDS	0147.015	Pass	07/01/09	06/30/10	8,011
Family Resource Center	84.181	HD099045	State of California-DDS	0147.016	Pass	07/01/10	06/30/11	100,489
Carolyn Kordich FRC	84.181	HD099044	State of California-DDS	0239.013	Pass	07/01/10	06/30/11	<u>32,326</u>
<b>Special Education Grants for Infants and Families with Disabilities</b>								<b>140,826</b>
Passed Through the Youth Policy Institute								
Belmont Full Service Comm	84.215	None	Youth Policy Institute	2310.001	Pass	10/01/09	09/30/10	<u>1,288</u>
<b>Fund for the Improvement of Education</b>								<b>1,288</b>
<b>U.S. Department of Homeland Security - Pass Through</b>								
Passed Through the Tauri Group								
Bio Watch - JC	93.000	2008001S	The Tauri Group	0790.004	Pass	03/02/09	02/19/11	1,042,791
Bio Watch - JC	93.000	2008001S	The Tauri Group	0790.005	Pass	02/20/11	08/19/11	<u>664,831</u>
<b>Contract w/no CFDA#</b>								<b>1,707,622</b>
<b>U.S. Department of Health and Human Services - Centers for Disease Control and Prevention - Direct</b>								
Genotyping TB Isolates								
	93.000	200200828193	DHHS-CDC	0474.007	Direct	09/22/09	09/21/12	<u>568,852</u>
<b>Contract w/no CFDA#</b>								<b>568,852</b>
EHS Network - Food	93.070	1UEH0007041	DHHS-CDC	2055.006	Direct	07/01/10	06/30/11	<u>198,569</u>
<b>Environmental Public Health and Emergency Response</b>								<b>198,569</b>
Adult Viral Hepatitis Pre	93.270	5U51PS00090004	DHHS-CDC	2203.004	Direct	11/01/10	10/31/11	<u>66,537</u>
<b>Adult Viral Hepatitis Prevention and Control</b>								<b>66,537</b>

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**FOR THE YEAR ENDED JUNE 30, 2011**  
**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Health and Human Services - Centers for Disease Control and Prevention - Direct (Continued)</b>								
CEIP Influenza Testing	93.521	1U01C100091001	DHHS-CDC	2372.001	Direct	09/30/10	09/29/11	181,436
	<b>The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems</b>							<b>181,436</b>
Implementing New Directio	93.523	1U65PS00327501	DHHS-CDC	2369.001	Direct	09/30/10	09/29/11	176,369
	<b>The Affordable Care Act: HIV Prevention and Public Health Fund Activities</b>							<b>176,369</b>
Capacity Building Asst	93.939	5U65PS00164202	DHHS-CDC	2303.002	Direct	04/01/10	03/31/11	1,157,746
Capacity Building Asst-A	93.939	5U65PS00164203	DHHS-CDC	2303.003	Direct	04/01/11	03/31/12	225,754
	<b>HIV Prevention Activities_Non- Governmental Organization Based</b>							<b>1,383,500</b>
PCSI	93.940	1U38PS00317001	DHHS-CDC	2366.001	Direct	09/30/10	09/29/11	65,806
	<b>HIV Prevention Activities_ Health Department Based</b>							<b>65,806</b>
<b>U.S. Department of Health and Human Services - Centers for Disease Control and Prevention - Passed Through</b>								
Passed Through the Association of Public Health Lab								
Salmonella Serotyping	93.065	None	Assoc of Public Health Lab	2385.001	Pass	11/30/10	06/30/12	6,654
	<b>Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure</b>							<b>6,654</b>
Passed Through the Regents University of CA - San Francisco								
Ghana UCSF TA	93.067	6049sc	Regents Univ of CA- San Fran	2349.001	Pass	04/01/10	08/31/10	1,108
	<b>Global AIDS</b>							<b>1,108</b>
Passed Through the San Francisco Department of Public Health								
Atlanta HQ UCSF TA	93.067	DPHC11000621	SFDPH	2370.001	Pass	09/01/10	03/31/11	22,762
	<b>Global AIDS</b>							<b>22,762</b>
Passed Through the San Francisco Department of Public Health								
NHBS Project	93.940	DPHC10000784	SFDPH	2212.003	Pass	01/01/10	12/31/10	61,817
NHBS Project	93.940	DPHC11000818	SFDPH	2212.004	Pass	01/01/11	12/31/11	29,150
Evaluation & Data Mgmt	93.940	DPHC11000558	SFDPH	2327.001	Pass	01/01/10	06/30/11	560,845
Evaluation & Data Mgmt	93.940	DPHC11000558	SFDPH	2327.002	Pass	01/01/11	06/30/12	315,276
Condom Distribution Prog	93.940	DPHC11000634	SFDPH	2376.001	Pass	09/01/10	08/31/11	2,646
	<b>HIV Prevention Activities_ Health Department Based</b>							<b>969,734</b>
Passed Through the State of California Department of Public Health								
STD Awareness Prevention	93.940	0911190	State of California-DPH	0133.017	Pass	07/01/10	12/31/11	170,221
	<b>HIV Prevention Activities_ Health Department Based</b>							<b>170,221</b>
Passed Through the County of LA - Public Health								
HIV Behavioral Surv.	93.940	H7024205	County of LA-Public Health	2132.005	Pass	07/01/10	12/31/10	69,251
HIV Epi Prog CDC Projects	93.940	PH001416W1	County of LA-Public Health	2387.001	Pass	01/01/11	12/31/11	143,560
	<b>HIV Prevention Activities_ Health Department Based</b>							<b>212,811</b>

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**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Health and Human Services - Centers for Disease Control and Prevention - Passed Through (Continued)</b>								
Passed Through the San Francisco Department of Public Health								
HIV/AIDS Surveillance Dat	93.944	DPHC1000823	SFDPH	2005.007	Pass	01/01/10	12/31/10	277,230
HIV/AIDS Surveillance Dat	93.944	Pending	SFDPH	2005.008	Pass	01/01/11	12/31/11	76,718
Medical Monitoring Projec	93.944	DPHC10000467	SFDPH	2032.007	Pass	06/01/10	05/31/11	294,858
Medical Monitoring Projec	93.944	DPHC10000467	SFDPH	2032.008	Pass	06/01/11	05/31/12	30,614
<b>Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance</b>								<b>679,420</b>
Passed Through the County of LA - Public Health								
HIV Behavioral Surv.	93.944	H7024205	County of LA-Public Health	2132.005	Pass	07/01/10	12/31/10	72,269
HIV Epi Prog CDC Projects	93.944	PH001416W1	County of LA-Public Health	2387.001	Pass	01/01/11	12/31/11	33,474
<b>Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance</b>								<b>105,743</b>
Passed Through the San Francisco Department of Public Health								
HIV Testing/FAP	93.959	DPHM11000241	SFDPH	2358.001	Pass	07/01/10	06/30/11	88,551
<b>Block Grants for Prevention and Treatment of Substance Abuse</b>								<b>88,551</b>
Passed Through the State of California Department of Public Health								
STD Awareness Prevention	93.977	0911190	State of California-DPH	0133.017	Pass	07/01/10	12/31/11	397,181
<b>Preventive Health Services_ Sexually Transmitted Diseases Control Grants</b>								<b>397,181</b>
Passed Through the San Francisco Department of Public Health								
STD Prevention Project	93.977	DPHC10000850	SFDPH	0463.007	Pass	01/01/10	12/31/10	109,851
STD Prevention Project	93.977	DPHC11000752	SFDPH	0463.008	Pass	01/01/11	12/31/11	105,443
HIV Prevention Project	93.977	DPHC10000147	SFDPH	2087.006	Pass	01/01/10	12/31/10	182,362
HIV Prevention Project	93.977	DPHC11001001	SFDPH	2087.007	Pass	01/01/11	12/31/11	77,523
STD Surveillance Network	93.977	DPHC10000516	SFDPH	2265.002	Pass	10/01/09	09/29/10	23,052
STD Surveillance Network	93.977	DPHC11000582	SFDPH	2265.003	Pass	09/30/10	09/29/11	41,438
CEI	93.977	DPHC10000657	SFDPH	2300.001	Pass	10/01/09	09/30/10	27,244
<b>Preventive Health Services_ Sexually Transmitted Diseases Control Grants</b>								<b>566,913</b>
Passed Through the State of California Department of Public Health								
California Department of Health Services	93.889	0765876	State of California-DPH	0713.005	Pass	09/01/09	06/30/10	24,630
California Department of Health Services	93.889	0765876	State of California-DPH	0713.006	Pass	07/01/10	12/31/10	99,361
<b>National Bioterrorism Hospital Preparedness Program</b>								<b>123,991</b>
<b>U.S. Department of Health and Human Services - National Institutes of Health - Direct</b>								
OCTAVE/YECI	93.000	None	DHHS-NIH	2340.001	Direct	04/01/10	12/31/11	115,101
<b>Contract w/no CFDA#</b>								<b>115,101</b>

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**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Health and Human Services - National Institutes of Health - Passed Through</b>								
Passed Through PPD Development LP								
Risk Reduction Project	93.000	PO91588998	PPD Development LP	2184.001	Pass	08/01/07	07/14/12	<u>13,480</u>
	<b>Contract w/no CFDA#</b>							<b>13,480</b>
Passed Through the University of Alabama								
GC Dual	93.000	None	University of Alabama	2299.001	Pass	02/01/09	09/30/11	<u>71,641</u>
	<b>Contract w/no CFDA#</b>							<b>71,641</b>
Passed Through the Family Health International								
HPTN Scholars Program	93.936	00800061	Family Health International	2352.001	Pass	06/01/10	05/31/12	<u>38,727</u>
	<b>National Institutes of Health Acquired Immunodeficiency Syndrome Research Loan Repayment Program</b>							<b>38,727</b>
<b>U.S. Department of Health and Human Services - Administration on Aging - Passed Through</b>								
Passed Through the County of Contra Costa								
Senior Nutrition Program	93.045	2294	The County of Contra Costa	2118.005	Pass	07/01/10	06/30/11	<u>155,004</u>
	<b>Special Programs for the Aging _ Title III, Part C_Nutrition Services</b>							<b>155,004</b>
<b>U.S. Department of Health and Human Services - Health Resources and Services Administration - Direct</b>								
LAFAN	93.153	6H12HA00040	DHHS-HRSA	0054.016	Direct	08/01/09	07/31/10	261,069
LAFAN-Clinical Q.M.	93.153	5H12HA00040	DHHS-HRSA	0054.017	Direct	08/01/10	07/31/11	<u>801,284</u>
	<b>Coordinated Services and Access to Research for Women, Infants, Children and Youth</b>							<b>1,062,353</b>
<b>U.S. Department of Health and Human Services - Health Resources and Services Administration - Passed Through</b>								
Passed Through the County of LA - Public Health								
Case Mgmt - Psychosocial	93.917	H208541	County of LA-Public Health	0123.018	Pass	04/01/10	03/31/11	88,876
Case Mgmt - Psychosocial	93.917	H208541	County of LA-Public Health	0123.019	Pass	04/01/11	03/31/12	1,401
Transactional Case Mgmt	93.917	PH000598	County of LA-Public Health	2290.002	Pass	04/01/10	03/31/11	89,041
Transactional Case Mgmt	93.917	PH000598	County of LA-Public Health	2290.003	Pass	04/01/11	03/31/12	<u>14,393</u>
	<b>HIV Formula Care Grants</b>							<b>193,711</b>
Passed Through the County of LA - Public Health								
Enhanced Perinatal Surv.	93.940	H7024204	County of LA-Public Health	2132.004	Pass	07/01/09	06/30/10	<u>31</u>
	<b>HIV Prevention Activities_ Health Department Based</b>							<b>31</b>
<b>U.S. Department of Health and Human Services - Office of the Secretary - Passed Through</b>								
Passed Through the State of California Department of Public Health								
CA DCDC Bio-T Enhancement	93.889	0546060A02	State of California-DPH	0714.002	Pass	07/01/05	08/31/10	66,102
Professional Services	93.889	0765881A01	State of California-DPH	2216.004	Pass	07/01/10	06/30/11	142,551
Professional Services	93.889	0765893	State of California-DPH	2225.003	Pass	07/01/09	06/30/10	(12)
Professional Services	93.889	0765893	State of California-DPH	2225.004	Pass	07/01/10	06/30/11	<u>1,685,896</u>
	<b>National Bioterrorism Hospital Preparedness Program</b>							<b>1,894,537</b>

The above schedule was prepared on the accrual basis of accounting.  
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**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(FEIN 95-2557063)**

<i>Project Name</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass Through Number</i>	<i>Contracting Agency or Pass Through Number</i>	<i>Grantee Number</i>	<i>Direct or Pass Through</i>	<i>Contract Start</i>	<i>Contract End</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Health and Human Services - Office of the Secretary - Passed Through (Continued)</b>								
Passed Through the State of South Dakota So.Dakota Health Dept	93.889	11SC090653	State of South Dakota	0735.001	Pass	09/15/10	09/30/11	77,400
	<b>National Bioterrorism Hospital Preparedness Program</b>							<b>77,400</b>
<b>Substance Abuse and Med Hlth - Passed Through</b>								
Passed Through the Northrop Grumman Corporation Alcohol Screening	93.000	7500030235	Northrop Grumman	2234.004	Pass	08/01/10	07/31/11	7,111
	<b>Contract w/no CFDA#</b>							<b>7,111</b>
<b>Corporation for National and Community Service - Passed Through</b>								
Passed Through the Child & Family Community of OC AmeriCorp	94.006	FCIA602	Child & Fam Comm of OC	2095.004	Pass	07/01/09	07/31/10	32,327
AmeriCorp	94.006	FCIA602	Child & Fam Comm of OC	2095.005	Pass	08/01/10	09/30/11	223,510
	<b>Americorps</b>							<b>255,837</b>
Passed Through the Child & Family Community of OC VISTA	94.013	FCIV304	Child & Fam Comm of OC	2291.002	Pass	10/01/09	09/30/10	151,184
VISTA	94.013	FCIV304	Child & Fam Comm of OC	2291.003	Pass	10/01/10	09/30/11	414,568
	<b>Volunteers in Service to America</b>							<b>565,752</b>
<b>Agency for International Development - Passed Through</b>								
Passed Through Management Sciences for Health AIDSTAR-Two/MSH/Honduras	98.001	1101	Mgmt Sciences for Health	2400.001	Pass	04/11/11	06/30/12	3,294
	<b>USAID Foreign Assistance for Programs Overseas</b>							<b>3,294</b>
								<b>Total Other Programs</b>
								<b>\$ 13,137,036</b>
								<b>Total Federal Expenditures</b>
								<b>\$ 111,930,852</b>

The above schedule was prepared on the accrual basis of accounting.  
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**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(FEIN 95-2557063)**

**1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of PHFE under programs of the federal government for the year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of PHFE, it is not intended to and does not present the financial position, changes in net assets or cash flows of PHFE.

**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 OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

## **AUDITORS' RESULTS**

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**CURRENT YEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**FINDINGS AND QUESTIONED COSTS:**

There were no 2011 findings or questioned costs noted.

**PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.**  
**(A California Non-Profit Corporation)**  
**PRIOR YEARS FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**PRIOR YEARS FINDINGS AND QUESTIONED COSTS:**

**2010**

There were no 2010 findings noted.

**2010 Questioned Costs:**

There were no 2010 questioned costs noted.

**2009**

There were no 2009 findings noted.

**2010 Questioned Costs:**

There were no 2009 questioned costs noted.