
**COMMUNITY SOLUTIONS
for Children, Families and Individuals
(A CALIFORNIA NON-PROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

**COMMUNITY SOLUTIONS
for Children, Families and Individuals**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Solutions for Children, Families and Individuals
Gilroy, California

Report on the Financial Statements

We have audited the accompanying financial statements of Community Solutions for Children, Families and Individuals (Community Solutions), a California non-profit organization which comprise the statements of financial position as of June 30, 2020 and June 30, 2019, the related statements of cash flows for the years then ended, the related statements of activities and functional expenses for the year ended June 30, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Solutions as of June 30, 2020 and June 30, 2019, the changes in its cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2020 in accordance with accounting principles generally accepted in the United States of America.

Other Matters-Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal, state, and local awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and California Office of Emergency Services (OES) supplementary information for the year ended June 30, 2020, as required by OES, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 2020 on our consideration of Community Solutions' internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Solutions' internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Community Solutions' June 30, 2019 financial statements, and our report dated September 12, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



September 25, 2020

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statements of Financial Position
As of June 30, 2020 and June 30, 2019

	2020	2019
<u>ASSETS</u>		
Assets:		
Cash	\$ 2,717,545	\$ 144,116
Accounts receivable, net	604	27,725
Grants receivable, net	7,512,520	5,737,854
Unconditional promises to give:		
Pledges receivable	-	5,440
Investments	224,881	224,690
Prepaid expenses	100,626	103,650
Total current assets	<u>10,556,176</u>	<u>6,243,475</u>
 Fixed assets, net	 1,345,876	 1,462,444
 Deposits	 <u>124,898</u>	 <u>106,618</u>
TOTAL ASSETS	<u><u>\$ 12,026,950</u></u>	<u><u>\$ 7,812,537</u></u>
<u>LIABILITIES & NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 1,077,390	\$ 1,109,710
Accrued salaries & vacation	2,306,445	1,956,511
Other current liabilities	186,676	245,097
Accrued interest payable	67,416	27,220
Deferred revenue	2,013,654	2,213,299
Notes payable, current portion	1,524,779	66,553
Total current liabilities	<u>7,176,360</u>	<u>5,618,390</u>
 Grants payable, long term	 46,918	 46,918
Accrued interest payable	85,821	115,531
Notes payable	3,608,190	962,300
Total long term liabilities	<u>3,740,929</u>	<u>1,124,749</u>
Total liabilities	<u>10,917,289</u>	<u>6,743,139</u>
 Net assets		
Without donor restrictions	815,834	780,578
Without donor restrictions-board designated	224,881	224,690
With donor restrictions	68,946	64,130
Total net assets	<u>1,109,661</u>	<u>1,069,398</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 12,026,950</u></u>	<u><u>\$ 7,812,537</u></u>

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Activities
For the Year ended June 30, 2020
with summarized financial information for the year ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	June 30, 2020 Totals	Comparative Summary Totals for the Year ended June 30, 2019
SUPPORT & REVENUE				
Support received directly				
Contributions	\$ 260,039	\$ 10,256	\$ 270,295	\$ 213,563
Contributions, in-kind	131,426		131,426	93,359
Special events, less expenses of \$57,171 and \$74,869	150,196		150,196	156,382
Forgiveness of indebtedness	582,095		582,095	-
Foundations and grants	82,742		82,742	113,467
Support received indirectly				
United Way	636		636	731
Total support	1,207,134	10,256	1,217,390	577,502
Revenue				
Government grants and fees	34,210,867		34,210,867	29,090,267
Investment income	15,109		15,109	1,267
Program rents received	351,459		351,459	421,947
Other income	24,820		24,820	25,689
Fees for services	467,505		467,505	444,832
Total revenue	35,069,760	-	35,069,760	29,984,002
Net assets released from restrictions	5,440	(5,440)	-	-
TOTAL SUPPORT & REVENUE	36,282,334	4,816	36,287,150	30,561,504
EXPENSES				
Program Services				
Behavioral Health Care	26,584,497		26,584,497	22,887,806
Prevention and Education	658,520		658,520	671,177
Solutions to Violence	5,661,369		5,661,369	3,944,786
Total Program Services	32,904,386	-	32,904,386	27,503,769
Support Services				
Management and General	2,985,122		2,985,122	2,606,446
Fund Development	357,379		357,379	288,503
Total Support Services	3,342,501	-	3,342,501	2,894,949
TOTAL EXPENSES	36,246,887	-	36,246,887	30,398,718
Change in net assets from operations	35,447	4,816	40,263	162,786
Net assets at beginning of year	1,005,268	64,130	1,069,398	906,612
Net assets at end of year	\$ 1,040,715	\$ 68,946	\$ 1,109,661	\$ 1,069,398

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Functional Expenses
For the Year ended June 30, 2020
with summarized financial information for the year ended June 30, 2019

	<u>PROGRAM SERVICES</u>				Comparative Summary Totals for the Year ended June 30, 2019
	<u>Behavioral Health Care</u>	<u>Prevention and Education</u>	<u>Solutions to Violence</u>	<u>June 30, 2020 Totals</u>	
Salaries	\$ 16,681,250	\$ 396,692	\$ 2,431,434	\$ 19,509,376	\$ 16,315,625
Payroll taxes & employee benefits	<u>4,391,465</u>	<u>102,790</u>	<u>725,012</u>	<u>5,219,267</u>	<u>4,600,717</u>
Total salaries & related expenses	21,072,715	499,482	3,156,446	24,728,643	20,916,342
Professional fees	1,735,036	9,769	985,011	2,729,816	2,329,406
Supplies	362,723	14,766	180,928	558,417	520,248
Telephone	177,143	6,275	37,358	220,776	220,770
Postage & shipping	21,698	1,333	4,002	27,033	24,218
Occupancy	914,456	27,782	295,857	1,238,095	1,035,997
Insurance	97,376	2,701	16,838	116,915	103,799
Utilities	162,922	14,221	42,531	219,674	191,344
Interest	27,592	6,691	1,171	35,454	37,767
Equipment maintenance & rental	217,521	3,581	20,154	241,256	253,025
Printing & publications	1,000	18	47,913	48,931	24,841
Travel	520,407	5,686	45,948	572,041	712,795
Conferences, conventions & meetings	93,665	4,364	86,431	184,460	155,838
Specific assistance to individuals	783,575	20,526	722,357	1,526,458	667,902
Dues & subscriptions	118,285	579	4,022	122,886	77,439
Licensing fees & taxes	111,416	20,285	3,667	135,368	59,656
Bad debt	23,289	-	-	23,289	49,386
Miscellaneous	<u>51,009</u>	<u>2,212</u>	<u>7,536</u>	<u>60,757</u>	<u>47,340</u>
Total expenses before depreciation & amortization	26,491,828	640,271	5,658,170	32,790,269	27,428,113
Depreciation & amortization	<u>92,669</u>	<u>18,249</u>	<u>3,199</u>	<u>114,117</u>	<u>75,656</u>
TOTAL EXPENSES	<u>\$ 26,584,497</u>	<u>\$ 658,520</u>	<u>\$ 5,661,369</u>	<u>\$ 32,904,386</u>	<u>\$ 27,503,769</u>

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Functional Expenses
For the Year ended June 30, 2020
with summarized financial information for the year ended June 30, 2019

	TOTAL PROGRAM SERVICES	MANAGEMENT & SUPPORT SERVICES			June 30, 2020 PROGRAM & SUPPORT SERVICES TOTALS	Comparative Summary Totals for the Year ended June 30, 2019
		Management & General	Fund Development	Total Mgmt. & Sup. Svcs		
Salaries	\$ 19,509,376	\$ 1,705,163	\$ 251,953	\$ 1,957,116	\$ 21,466,492	\$ 17,962,911
Payroll taxes & employee benefits	5,219,267	474,044	61,555	535,599	5,754,866	5,062,445
Total salaries & related expenses	24,728,643	2,179,207	313,508	2,492,715	27,221,358	23,025,356
Professional fees	2,729,816	508,683	3,548	512,231	3,242,047	2,813,487
Supplies	558,417	41,019	2,590	43,609	602,026	579,690
Telephone	220,776	16,436	2,144	18,580	239,356	238,634
Postage & shipping	27,033	7,963	2,128	10,091	37,124	30,619
Occupancy	1,238,095	118,881	9,784	128,665	1,366,760	1,139,640
Insurance	116,915	8,130	1,239	9,369	126,284	112,749
Utilities	219,674	10,197	1,509	11,706	231,380	201,393
Interest	35,454	6,227	-	6,227	41,681	40,633
Equipment maintenance & rental	241,256	18,015	592	18,607	259,863	267,316
Printing & publications	48,931	14,720	2,616	17,336	66,267	39,438
Travel	572,041	19,237	809	20,046	592,087	739,305
Conferences, conventions & meetings	184,460	9,079	11,341	20,420	204,880	168,401
Specific assistance to individuals	1,526,458	-	-	-	1,526,458	667,902
Dues & subscriptions	122,886	7,721	1,335	9,056	131,942	85,377
Licensing fees & taxes	135,368	8,218	3,709	11,927	147,295	61,766
Bad debt	23,289	-	-	-	23,289	49,386
Miscellaneous	60,757	9,070	395	9,465	70,222	54,096
Total expenses before depreciation & amortization	32,790,269	2,982,803	357,247	3,340,050	36,130,319	30,315,188
Depreciation & amortization	114,117	2,319	132	2,451	116,568	83,530
TOTAL EXPENSES	\$ 32,904,386	\$ 2,985,122	\$ 357,379	\$ 3,342,501	\$ 36,246,887	\$ 30,398,718

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statements of Cash Flows
For the Years ended June 30, 2020 and June 30, 2019

	2020	2019
Cash flows from operating activities:		
Increase (decrease) in net assets from operations	\$ 40,263	\$ 162,786
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	116,568	83,530
Forgiveness of debt included in support	(583,095)	
Investment management fees deducted	4,811	4,229
Reinvestment of earnings from investments	(10,992)	(10,157)
Unrealized (gain) loss on investments	5,990	6,842
Changes in assets & liabilities:		
Decrease (increase) in accounts and grants receivable	(1,742,105)	(621,890)
Decrease (increase) in deposits and prepaid expenses	(15,256)	(80,885)
Increase (decrease) in payables and accrued liabilities	70,034	659,137
Net cash (used) provided by operating activities	<u>(2,113,782)</u>	<u>203,592</u>
Cash flows from investing activities		
Acquisition of fixed assets		(372,440)
Net cash provided (used) by investing activities		<u>(372,440)</u>
Cash flows from financing activities		
Proceeds from (repayment of) line of credit		
Proceeds from long term borrowing	4,721,407	337,500
Repayments of long-term debt	(34,196)	(25,977)
Net cash provided (used) by financing activities	<u>4,687,211</u>	<u>311,523</u>
Net (decrease) increase in cash	<u>2,573,429</u>	<u>142,675</u>
Cash, beginning of year	144,116	1,441
Cash, end of year	<u>\$ 2,717,545</u>	<u>\$ 144,116</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:		
Interest	\$ 31,196	\$ 69,611
Income taxes	\$ 0	\$ 0
Supplemental noncash disclosures:		
Cost basis of assets disposed	\$ 0	\$ 124,433
Assets acquired via financing	\$ 0	\$ 76,200

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

1. NATURE OF ORGANIZATION:

Community Solutions for Children, Families & Individuals, doing business as Community Solutions (Agency), is a California nonprofit public benefit organization that was founded in 1972. For more than four decades the Agency has provided proactive, compassionate, professional, and effective services to children, families, and individuals facing the most difficult of life's challenges. The Agency holds a deep and unequivocal commitment to each client's success, safety and well being.

The Agency's mission is to create opportunities for positive change by promoting and supporting the full potential of individuals, the strengths of families and the well being of the community. This mission is realized through:

- Wellness and recovery-based behavioral health services
- Strengths-based prevention and intervention services
- Empowerment-based domestic violence, sexual assault and human trafficking intervention services

The Agency provides comprehensive, culturally relevant, and needs driven human services throughout Santa Clara County and within San Benito County. Embracing a client-centered approach, the Agency provides services at the location that is most convenient for the individuals being served, including: client homes, schools, community-based organizations and Agency offices.

Behavioral Health Care programs support the well being of children, teens, adults and older adults who are challenged by mental health issues, substance abuse, poverty, and/or severe family dysfunction. Services include:

- 24-hour crisis intervention for youth, families & adults
- Mental health counseling
- Comprehensive case management
- Medication support
- Home-based support services for families with young children
- 12-bed transitional residential center for adults with mental illness
- Clean and sober living environments
- School-based support services

Prevention and Education programs are committed to preventing youth and adults from entering into, or further penetrating, the justice system. Services include:

- Assistance with reentry into the community from incarceration
- Prevention & intervention services for at-risk youth
- First-time juvenile offender program
- First Offender and Multiple Offender DUI programs
- Housing for mental health clients

Solutions to Violence programs are dedicated to healing and empowering children and adults that have been victimized by sexual assault, domestic violence and human trafficking. Services include:

- 24-hour crisis intervention and response services
- 14-bed confidential domestic violence shelter for women and their children
- Counseling and peer support services
- Legal advocacy and court accompaniment
- School-based and community-based prevention workshops

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The Agency is required to report information regarding its financial position and activities according to two classes of net assets: Without donor restrictions and with donor restrictions. Without donor restrictions are defined as that portion of net assets that has no use or time restrictions. With donor restrictions are defined as those that consist of a restriction on a specific use or the occurrence of a certain event. The financial statements of the Agency are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Contributions

Contributions are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. In addition, pledges and unconditional promises to give are required to be reported as restricted support upon date of notification and are then released from restrictions upon satisfaction of the time or use requirement. If a restriction is fulfilled in the same time period in which the contribution is received, the Agency reports the support as unrestricted.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. As of June 30, 2020, and June 30, 2019, the Agency's investments consist of funds held and administered by the Gilroy Foundation. The Agency has adopted ASC 820-10-50, *Fair Value Measurements*, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. For its investments, the Agency utilized Level 1 inputs, consisting of unadjusted quoted prices in active markets for identical assets and having the highest priority. Level 2 and Level 3 inputs were not utilized.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Agency considers all highly liquid investments available for current use with an initial maturity of six months or less to be cash equivalents. Included in cash as of June 30, 2020 and June 30, 2019 are six restricted certificates of deposit totaling \$116,254 and \$109,681, which carry immaterial early withdrawal penalties. The carrying amounts reported in the statements of financial position approximate fair values as a result of the short maturity of these instruments.

Accounts Receivable

Accounts and grants receivable are shown net of an allowance of \$151,380 for private program service fees and contract billings as of June 30, 2020 and June 30, 2019, respectively. Bad debt expense charged to operations during the years ended June 30, 2020 and June 30, 2019 totaled \$23,289 and \$49,385, respectively.

Income Taxes

The Agency is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3), from California income taxes under Section 23701(d) of the California Bank and Corporation Tax Law, and has been determined to be an organization that is not a private foundation. Management has determined the implementation of ASC 740-10-65 did not have a material impact on its financial statements. Tax years for the years ended June 30, 2016 through June 30, 2020 remain open for examination by taxing authorities.

Indirect Expenses

The Agency has in place a cost allocation plan employed to allocate indirect expenses to each program on a basis proportionate to the direct staff time or other cost driver used for each program.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Depreciation

Fixed assets are reported at cost, or donated value, and are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from five to forty years. The Agency's policy is to capitalize fixed asset additions in excess of \$1,000. At June 30, 2020 and June 30, 2019, the cost and related accumulated depreciation for such assets is as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 475,395	\$ 475,395
Buildings	1,304,057	1,304,057
Vehicles	81,919	81,919
Lease improvements	366,716	366,716
Furniture, equipment & fees	<u>13,822</u>	<u>13,822</u>
	2,241,909	2,241,909
less:		
Accumulated depreciation	<u>896,033</u>	<u>779,465</u>
	<u>\$ 1,345,876</u>	<u>\$ 1,462,444</u>

Depreciation and amortization expense charged for the years ended June 30, 2020 and June 30, 2019 was \$116,568 and \$83,530, respectively. In addition, for the years ended June 30, 2020 and June 30, 2019, \$157,334 and \$164,644, respectively, of equipment and furniture purchased with grant funds, normally capitalized, has been expensed due to the grantor retaining a reversionary interest in title. No asset impairment was recognized by the Agency during the years ended June 30, 2020 and June 30, 2019.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Compensated Absences and Vacations

All eligible full-time employees accrue fifteen days of paid vacation during the first continual year of service. This amount is increased to twenty days after five years, and twenty-five days after ten years. Upon separation, the terminating employee is directly compensated for unused vacation leave. Holidays that fall on vacation periods are not charged against vacation time. Accrued vacation may not be carried beyond eighteen months unless approved by the Executive Director. All regular employees are entitled to be paid sick leave at the rate of twelve working days per year consistent with the number of hours comprising their particular working agreement. Upon separation, under any circumstances, the employee is entitled to sick leave pay at the rate of sixty-five percent of the remaining sick leave, not to exceed 80 hours. In the event of sickness or death in the immediate family of an employee, the employee shall be granted three days of leave of absence with full pay. Such leave will not be subtracted from regular sick leave. Employees are granted a leave of absence with pay at any time they are required to report for jury duty.

Donations

All donations are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated fair market value at date of notification. Donated services, valued at \$131,426 and \$60,671 were contributed by specially trained relief workers involved in the rape crisis program during the years ended June 30, 2020 and June 30, 2019, respectively. During the year ended June 30, 2019 the Agency also received \$32,687 in donated program supplies and food.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Advertising

The Agency charges all advertising costs incurred to operations as a current expense.

Legacies and Bequests

Legacies and bequests are received by the Agency under various wills and trust agreements. The amounts are recorded upon legal validation.

Revenue Recognition, Grants Receivable, and Grants Payable

The Agency receives cost reimbursement contract revenue as well as fixed rate contract revenue. Revenue is recognized when the corresponding service has been provided according to the agreement, subject to the contract limit, if any. Under fixed rate contracts, the Agency agrees to provide certain services in specified quantities at a prescribed rate per unit of service provided. Certain contracts have provisions for annual settlements to provide for recovery of costs for service capacity required to be provided, but not utilized, and for repayment of amounts billed in excess of contract limits. Estimated settlements are accrued by the Agency as a grant receivable or grant payable for contracts for which cost reports have not been finalized. The carrying amounts for grants receivable and payable reported in the statements of financial position approximate fair values as all amounts are expected to be received or paid within one year.

3. INVESTMENTS:

Investments are presented in the financial statement at fair market value based on the closing stated value published on the public exchanges on June 30, 2020 and 2019. The investments are not insured.

	<u>2020</u>	<u>2019</u>
SV Community Foundation pooled investment fund	<u>\$ 224,881</u>	<u>\$ 224,690</u>

The fair market value of these investments reflects an unrealized gain (loss) of (\$5,990) and (\$6,842) as of June 30, 2020 and 2019. Investment returns are shown net of management fees. Components of investment income are as follows for the year ended:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$15,730	\$ 3,086
Realized gains and losses	10,250	9,252
Unrealized gains and losses	(5,990)	(6,842)
Management fees charged	<u>(4,881)</u>	<u>(4,229)</u>
	<u>\$15,109</u>	<u>\$ 1,267</u>

4. GRANTS, PLEDGES, AND ACCOUNTS RECEIVABLE:

The carrying amounts for grants and accounts receivable reported in the statement of financial position approximate fair value as all amounts are due and expected to be received within ninety days. The following amounts are reported as accounts and grants receivable as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Behavioral Sciences	\$5,862,322	\$4,681,853
CAL OES/Human Trafficking	936,957	770,245
Block Grants	70,962	118,521
Social Services	638,542	164,005
Other Grants	<u>155,117</u>	<u>154,610</u>
Grants receivable	7,663,900	5,889,234
Program and other fees receivable	604	27,725
Less: allowance for doubtful accounts	<u>(151,380)</u>	<u>(151,380)</u>
Total	<u>\$7,513,124</u>	<u>\$5,765,579</u>

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

5. LONG-TERM DEBT:

Long-term debt at June 30, 2020, is comprised of the following:

<u>Payable to</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Current Amount</u>	<u>Total Due</u>
Northeast Bank, secured by real property, monthly payments of \$1,953	4.75%	9/12/2027	\$ 16,100	\$ 142,735
Pinnacle Bank, secured by real property, monthly payments of \$2,038	5.25%	7/21/2028	6,500	323,046
U.S. Small Business Administration PPP loan, unsecured, monthly payments of \$174,230 beginning November 2020	1.00%	10/29/22	1,370,243	4,138,312
Ally Financial, secured by personal property, monthly payments \$652	8.34%	10/1/2024	5,681	28,355
Ally Financial, secured by personal property, monthly payments \$789	9.19%	5/1/2025	5,366	36,770
State of California, secured by real property, monthly payments deferred	3% deferred	6/19/2027	0	117,081
State of California, secured by real property, monthly payments deferred	3% deferred	9/4/2020	87,439	87,439
State of California, secured by real property, monthly payments deferred	3% deferred	8/21/2022	0	105,968
County of Santa Clara, secured by real property, monthly payments deferred	3.5% deferred	5/3/2016	33,450	33,450
City of Morgan Hill, secured by real property, monthly payments deferred	None	None	0	119,812
			<u>\$1,524,779</u>	<u>\$5,132,968</u>

The three State of California loans include underlying indebtedness to the department of Housing and Urban Development and contain self-forgiving provisions, contingent upon use restrictions, that commenced in the year 2001, as well as provisions for the waiver of accrued interest payable. During the year ended June 30, 2019 a total of \$39,460 was paid down against the cumulative accrued interest payable. As of June 30, 2020, the cumulative accrued interest payable under these loans of \$153,237 is presented as a long-term liability, less a current provision for the County of Santa Clara loan that matured May 2016 and the State of California loan maturing September 2020. The Small Business Administration PPP loan contains provisions that allow for partial, or full, forgiveness of the outstanding principal assuming certain conditions are met by the Agency no later than October 2020.

In addition, the Agency has in place a line of credit of \$1,500,000 at an interest rate of 6.75% maturing September 2020. Terms of this facility require the Agency to maintain certain financial measurements and conditions for usage. As of June 30, 2020, Agency management believes all required measurements and conditions were met. This facility is secured by the Agency's personal property, and as of June 30, 2020 had no amount outstanding. The existing schedule for the retirement of long-term debt, without regard to additional provisions of forgiveness, is as follows:

Year ending June 30, 2021	\$1,524,779
Year ending June 30, 2022	2,804,858
Year ending June 30, 2023	145,110
Year ending June 30, 2024	41,610
Year ending June 30, 2025	37,737
Thereafter	578,874
	<u>\$5,132,968</u>

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

6. FACILITY LEASE COMMITMENTS:

The lease for the Agency's administration office continues to April 2021, and requires monthly rental payments of \$40,985 with annual cost of living adjustments. In addition, the Agency is committed under several other facility leases expiring through May 2024. Monthly rent commitments under these leases are \$97,423. Rent expense paid totaled \$1,073,232 and \$900,370 for the years ended June 30, 2020 and June 30, 2019, respectively. Existing future annual facility lease commitments are:

Year ending June 30, 2021	\$755,205
Year ending June 30, 2022	338,952
Year ending June 30, 2023	284,798
Year ending June 30, 2024	189,585

7. EQUIPMENT LEASE COMMITMENTS:

The Agency is obligated under eleven non-cancelable operating leases expiring September 2021 for the rental of certain office equipment. The minimum annual rental payments under these equipment leases are:

Year ending June 30, 2021	\$30,768
Year ending June 30, 2022	7,692

Total payments made under all equipment lease agreements were \$38,323 and \$37,392 for the years ended June 30, 2020 and June 30, 2019, respectively.

8. RETIREMENT PLAN:

The Agency has adopted a policy whereby it will match an employee's contributions to an individual tax deferred annuity account, up to 5% of the employee's gross salary. For the years ended June 30, 2020 and June 30, 2019, the Agency's contributions totaled \$318,101 and \$307,549, respectively.

9. GRANTS PAYABLE, DEFERRED REVENUES AND COST REPORT SETTLEMENTS:

The Agency has entered into an agreement with Santa Clara County to repay its prior year mental health cost reconciliation shortages at a rate of \$9,384 per month. No payments were made during the year ended June 30, 2020, with the remaining \$46,918 presented as a long-term grant payable. In addition, as of June 30, 2020 and June 30, 2019, the Agency has reserved \$1,713,293 and \$2,139,252, respectively, as deferred revenues pending cost report reconciliation with Santa Clara County.

10. CONCENTRATIONS, CONTINGENCIES and COVID 19:

At times during the fiscal year, the Agency maintained cash balances in excess of insured levels at one financial institution. In addition, approximately 80% of the Agency's operating revenue base is derived from contracts and grants with various governmental departments of the County of Santa Clara. Approximately 85% of the Agency's employees are covered under membership in a collective bargaining agreement scheduled for renewal November 2022. The health care industry is subject to numerous laws and regulations of federal, state, and local governments. In addition, the Agency, during the normal course of operating its business, may be subject to various lawsuits, licensing reviews, and government audits. Management believes that losses resulting from these matters, if any, would either be covered under the Agency's insurance policy or immeasurable. Management further believes the losses, if any, would not have a material effect on the financial position of the Agency.

Beginning in January 2020, the world began to feel the effects of the novel coronavirus (COVID 19). These effects include time away from work, reduction in the work force, potential disruption in the food supply chain, and a significant fluctuation in the value of the Agency's investments. The long-term implications of this pandemic are presently unknown as related to Agency operations, although since the outset of the pandemic, the Agency has received additional public, foundation, and government funding to enable it to maintain operating at sustained levels.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

11. LIQUIDITY AND AVAILABILITY:

As part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Agency has a committed line of credit in the amount of \$1.5 million through September 2020, which it could draw upon. The Agency's financial assets that are available within one year of June 30, 2020 and June 30, 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,717,545	\$ 144,116
Accounts receivable, net	604	27,725
Grants receivable, net	7,512,520	5,737,854
Pledges receivable	-	5,440
Investments	<u>224,881</u>	<u>224,690</u>
	<u>\$ 10,455,550</u>	<u>\$ 6,139,825</u>
Liquidity Resources		
Line of credit	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

12. RESTRICTED NET ASSETS:

As of June 30, 2020 and 2019, the Agency's donor restricted net assets consist of the following:

	<u>2020</u>	<u>2019</u>
Time restriction-		
Foundations and pledges	\$ -	\$ 5,440
Use restrictions-		
Foundation – programs	-	-
Real property under HUD/HCD restrictions to year 2027	<u>68,946</u>	<u>58,690</u>
	<u>\$ 68,946</u>	<u>\$ 64,130</u>

In addition, the Agency's board of directors has designated that \$224,881 be earmarked for future opportunities. Board permission is required to access these funds.

13. NET ASSETS RELEASED FROM RESTRICTIONS:

Without donor restrictions net assets were (increased) decreased as a result of the following restriction releases and transfers during the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Time restriction-		
Foundations	\$ (5,440)	\$ 50,000
Use restrictions-		
Foundation grants	-	-
Real property under regulatory restrictions	<u>10,256</u>	<u>16,945</u>
	<u>\$ (4,816)</u>	<u>\$ 66,945</u>

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

14. RECENT ACCOUNTING PRONOUNCEMENTS:

In 2019, the Agency adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *"Presentation of Financial Statements of Not-for-Profit Entities"*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and related notes. The main provisions of this guidance that have a significant effect on the Agency's financial statements include: presentation of two classes of net assets versus the previously required three, and reporting investment income net of external and direct internal investment expenses. Implementation of this guidance did not impact the valuation or classification of the Agency's net assets. In addition, FASB has issued Accounting Standards Update (ASU) No. 2016-02, *"Leases"*, which will be effective for the Agency's financial statements during the year ending June 30, 2022. The new standard amends much of the existing accounting guidance on leases, with a core principle of increasing transparency and comparability among organizations by recognizing lease assets and leases liabilities on the statement of position and disclosing key information about leasing arrangements. FASB has also issued ASU No. 2014-09, *"Revenue from Contracts with Customer"*, which will be effective for the Agency's financial statements during the year ended June 30, 2021. The new standard is intended to remove inconsistencies and weaknesses in revenue recognition and improve comparability across entities. Management has not determined the effect, if any, of implementing the two new standards.

15. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through September 25, 2020, the date on which the financial statements were available to be issued.

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Schedule of Expenditures of Federal, State and Local Awards
For the Year ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Receipts/ Revenue Recognized	Disbursements/ Expenditures Incurred
<u>Major Programs</u>				
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-19221043	16.575	\$ 234,750	\$ 184,007	\$ 184,007
Department of Justice, passed through Bay Area Legal Aid, support services, Grant XL-16011008	16.575	47,490	481	481
Department of Justice, passed through County of Santa Clara, domestic violence support, Grant XC-1601043	16.575	188,681	80,217	80,217
Department of Justice, passed through State of California OES, unserved/underserved victim advocacy, Grant XV-15011043	16.575	656,249	71,656	71,656
Department of Justice, passed through State of California OES, unserved/underserved victim advocacy, Grant UV-19021043	16.575	175,001	84,419	84,419
Department of Justice, passed through State of California OES, sexual assault services, La Isla, Grant DV-18101043	16.575	168,560	129,822	129,822
Department of Justice, passed through State of California OES, sexual assault services, La Isla, Grant DV-19111043	16.575	135,256	128,960	128,960
Department of Justice, passed through State of California OES, DV housing first, Grant XD-19021043	16.575	334,680	114,899	114,899
Department of Justice, passed through State of California OES, DV housing first, Grant KD-17011043	16.575	536,382	74,657	74,657
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-18211043	16.575	233,985	90,597	90,597
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-18321043	16.575	274,076	81,622	81,622
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-19331043	16.575	226,664	169,808	169,808
subtotal	16.575	3,211,774	1,211,145	1,211,145
Total Major Programs		3,211,774	1,211,145	1,211,145
<u>Non Major Programs</u>				
Department of Health and Human Services, passed through State of California OES sexual assault services, La Isla, Grant DV-19111043	93.671	326,212	134,807	134,807
Department of Justice, Office of Justice Programs, human trafficking support, Grant 2018-VT-BX-K023	16.830	775,000	137,135	137,135
Department of Justice, Office of Justice Programs, human trafficking support, Grant 2019-GF-FX-004	16.830	446,684	38,263	38,263
subtotal	16.830	1,221,684	175,398	175,398
Department of Health and Human Services, passed through California Department of Public Health, injury prevention and control, Grant 18-10716	93.136	135,062	135,062	135,062
Department of Housing & Urban Development, passed through County of Santa Clara, community development block grant, Grant PS-20-04	14.218	23,436	21,839	21,839
FEMA, passed through United Way, emergency food and shelter, phase 36	97.024	10,000	10,000	10,000
Total Non Major Programs		1,716,394	477,106	477,106
Total federal financial assistance (continued to next page)		<u>\$4,928,168</u>	<u>\$1,688,251</u>	<u>\$1,688,251</u>

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Schedule of Expenditures of Federal, State and Local Awards (continued)
For the Year ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Receipts/ Revenue Recognized	Disbursements/ Expenditures Incurred
Total federal financial assistance (from previous page)		\$4,928,168	\$1,688,251	\$1,688,251
<u>State and local assistance</u>				
City of Gilroy, THRIVE		148,000	144,613	144,613
City of San Jose, passed through YWCA, OVW		79,964	23,435	23,435
County of San Benito, CSEC		194,276	159,893	159,893
County of Santa Clara, passed through YWCA, domestic violence services program		430,008	430,008	430,008
County of Santa Clara, passed through YWCA, YWCA DV bonus		20,943	20,943	20,943
County of Santa Clara, mental health, family and children CGF, Grant 4300016759		1,773,078	1,175,178	1,175,178
County of Santa Clara, mental health, DMH adult, Grant 4300016754		685,811	579,298	579,298
County of Santa Clara, mental health, DMH First 5, Grant 4300016761		2,577,482	1,881,190	1,881,190
County of Santa Clara, MHSA THU, El Invierno, Walnut & Kern, Grant 4300016992		378,283	362,339	362,339
County of Santa Clara, MHSA-CSS, Older Adult and Madrone, Grant 4300016758		2,948,952	2,353,513	2,353,513
County of Santa Clara, MHSA-FSP AB109, public safety, Grant 4300016987		571,008	526,694	526,694
County of Santa Clara, MHSA-Prop 47 CJS, Grant 4300018158/9		1,393,082	67,393	67,393
County of Santa Clara, MHSA-FSP AB109, adult expansion, Grant 4300016988		402,226	180,193	180,193
County of Santa Clara, MHSA-FSP AB109, Jail diversion, Grant 4300016979		1,462,600	926,830	926,830
County of Santa Clara, MHSA- FSP CDCR, Grant 4300016986		566,104	378,967	378,967
County of Santa Clara, MHSA- CSS F & C, Grant 4300016760		3,816,609	2,914,978	2,914,978
County of Santa Clara, MHSA- CSS Criminal Justice Aftercare, Grant 4300016990		560,962	113,774	113,774
County of Santa Clara, MHSA- CSS AO3 FACT, Grant 4300018157		6,453,244	810,517	810,517
County of Santa Clara, MHSA- CSS SHP, Grant 4300016980		1,805,307	1,287,511	1,287,511
County of Santa Clara, MHSA FSP child, Grant 4300016765		2,436,046	2,292,973	2,292,973
County of Santa Clara, MHSA FSP, adult criminal justice, Grant 4300016993		458,725	458,455	458,455
County of Santa Clara, MHSA CSS, criminal justice aftercare, Grant 4300016989		2,756,155	2,119,538	2,119,538
County of Santa Clara, MHSA CSS, Child JPD aftercare, Grant 4300016760		458,745	336,761	336,761
County of Santa Clara, MHSA FSP, Tay, Grant 4300016762		2,916,756	2,873,723	2,873,723
County of Santa Clara, MHSA PEI Child, Grant 4300016764		795,475	744,117	744,117
County of Santa Clara, MHSA PEI School Link, Grant 4300016763		733,884	687,289	687,289
County of Santa Clara, MHSA - CSS Adult Redesign, Grant 4300016755		3,474,302	3,347,428	3,347,428
County of Santa Clara, MHSA FSP Adult, Grant 4300016756		875,297	846,864	846,864
County of Santa Clara, MHSA IFSP Adult, Grant 4300018160		4,940,875	701,510	701,510
County of Santa Clara, MHSA FSP Older Adult, Grant 4300016757		232,145	228,167	228,167
County of Santa Clara, Interns, Grant 4300017325		23,674	23,674	23,674
County of Santa Clara, CSEC, Grant 43000012414		627,345	516,437	516,437
County of Santa Clara, passed through City of San Jose, HT coalition, Grant 126-04-10-075		50,000	50,000	50,000
County of Santa Clara, passed through Sacred Heart Community Services, homeless prevention		298,749	298,749	298,749
County of Santa Clara, Office of Supportive Housing, El Jardin Pacifica, Grant 4300016422		968,542	312,053	312,053
County of Santa Clara, rape crisis center services, Grant 4300018295		120,000	101,268	101,268
County of Santa Clara, sexual assault, Grant 4300017952		97,000	97,000	97,000
County of Santa Clara, Regional Anti Trafficking, Grant 4300014806		300,000	108,227	108,227
County of Santa Clara, Probationers Fees, TF 0378		8,979	8,048	8,048
County of Santa Clara, Casitas Pacificas		1,864,311	66,996	66,996
County of Santa Clara, DV Stopgap, Grant 4300012083		73,407	73,407	73,407
County of Santa Clara, youth intervention and prevention IPV, Grant 4300016772		169,217	169,216	169,216
County of Santa Clara, community based prevention IPV, Grant 4300016770		164,639	164,638	164,638
County of Santa Clara, victims rights advocacy, Grant 4300016773		168,868	168,868	168,868
County of Santa Clara, passed through Santa Clara University, trafficking, Grant SCC017		300,281	300,281	300,281
County of Santa Clara, marriage licensing, Grant TF-0231		52,951	40,380	40,380
County of Santa Clara, substance use treatment services, Grant 440007718		123,750	123,746	123,746
State of California, OES, shelter, Grant DV-18101043		282,723	39,067	39,067
State of California, OES, shelter, Grant DV-19111043		203,126	94,487	94,487
State of California, OES, human trafficking assistance, Grant HV-19021043		476,191	65,652	65,652
State of California, OES, human trafficking assistance, Grant HV-18011043		476,191	403,077	403,077
State of California, OES, family justice center, Grant FJ-18011043		356,098	165,206	165,206
State of California, OES, passed through YWCA, family justice center, Grant 2018-WE-AX002		291,916	83,839	83,839
Sate of California, OES, passed through Step Forward Foundation, KL 1801-1333 & XL 1901-1333		70,000	48,280	48,280
State of California, OES, sexual assault services, Grant RC-19221043		20,805	13,987	13,987
State of California, OES, sexual assault services, Grant RC-19331043		18,037	11,941	11,941
Total state & local government assistance		<u>53,953,144</u>	<u>32,522,616</u>	<u>32,522,616</u>
GRAND TOTALS		<u>\$ 58,881,312</u>	<u>\$ 34,210,867</u>	<u>\$ 34,210,867</u>

See Accompanying Notes to the Financial Statements

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

To the Board of Directors of
Community Solutions for Children, Families and Individuals
Gilroy, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Community Solutions for Children, Families and Individuals, which comprise the statement of financial position as of June 30, 2020, the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Community Solutions for Children, Families and Individuals' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Solutions for Children, Families and Individuals' internal control. Accordingly, we do not express an opinion on the effectiveness of Community Solutions for Children, Families and Individuals' internal control. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described earlier in this paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



September 25, 2020

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

To the Board of Directors of
Community Solutions for Children, Families and Individuals
Gilroy, California

Report on Compliance for Each Major Federal Program

We have audited Community Solutions for Children, Families and Individuals' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Solutions for Children, Families and Individuals' major federal programs for the year ended June 30, 2020. Community Solutions for Children, Families and Individuals' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Solutions for Children, Families and Individuals' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Solutions for Children, Families and Individuals' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Solutions for Children, Families and Individuals' compliance.

Opinion on Each Major Federal Program

In our opinion, Community Solutions for Children, Families and Individuals complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Community Solutions for Children, Families and Individuals is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Solutions for Children, Families and Individuals' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Solutions for Children, Families and Individuals' 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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



September 25, 2020

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILIES AND INDIVIDUALS
SUPPLEMENTARY INFORMATION REQUIRED BY CALIFORNIA OFFICE OF EMERGENCY SERVICES
JUNE 30, 2020

PROJECT TITLE RAPE CRISIS RECOVERY ACT PROGRAM (SANTA CLARA COUNTY)
 GRANT AWARD NUMBER RC 18-32-1043
 GRANT PERIOD OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019
 AUDIT PERIOD JULY 1, 2019 THROUGH SEPTEMBER 30, 2019

		<u>EXPENDITURES BY REVENUE SOURCE</u>						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 286,517	\$ 47,649	\$ -	\$ -	\$ -	\$ 11,555	\$ 59,204	
OPERATING EXPENSES	64,048	33,973	-	-	-	-	33,973	
TOTALS	<u>\$ 350,565</u>	<u>\$ 81,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,555</u>	<u>\$ 93,177</u>	

PROJECT TITLE RAPE CRISIS RECOVERY ACT PROGRAM (SANTA CLARA COUNTY)
 GRANT AWARD NUMBER RC 19-33-1043
 GRANT PERIOD OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020
 AUDIT PERIOD OCTOBER 1, 2019 THROUGH JUNE 30, 2020

		<u>EXPENDITURES BY REVENUE SOURCE</u>						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 237,063	\$ 117,925	\$ -	\$ 13,379	\$ -	\$ 17,186	\$ 148,490	
OPERATING EXPENSES	69,082	51,883	-	608	-	-	52,491	
TOTALS	<u>\$ 306,145</u>	<u>\$ 169,808</u>	<u>\$ -</u>	<u>\$ 13,987</u>	<u>\$ -</u>	<u>\$ 17,186</u>	<u>\$ 200,981</u>	

PROJECT TITLE LA ISLA PACIFICA DOMESTIC VIOLENCE SHELTER AND SERVICE
 GRANT AWARD NUMBER DV 18-10-1043
 GRANT PERIOD OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019
 AUDIT PERIOD JULY 1, 2019 THROUGH SEPTEMBER 30, 2019

		<u>EXPENDITURES BY REVENUE SOURCE</u>						
	BUDGET	FEDERAL FVPS	FEDERAL VOCA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 428,422	\$ -	\$ 73,716	\$ 25,733	\$ -	\$ 2,893	\$ 102,342	
OPERATING EXPENSES	205,902	-	45,936	13,334	-	-	59,270	
EQUIPMENT	-	-	10,170	-	-	-	10,170	
TOTALS	<u>\$ 634,324</u>	<u>\$ -</u>	<u>\$ 129,822</u>	<u>\$ 39,067</u>	<u>\$ -</u>	<u>\$ 2,893</u>	<u>\$ 171,782</u>	

PROJECT TITLE LA ISLA PACIFICA DOMESTIC VIOLENCE SHELTER AND SERVICE
 GRANT AWARD NUMBER DV 19-11-1043
 GRANT PERIOD JULY 1, 2019 THROUGH SEPTEMBER 30, 2020
 AUDIT PERIOD OCTOBER 1, 2019 THROUGH JUNE 30, 2020

		<u>EXPENDITURES BY REVENUE SOURCE</u>						
	BUDGET	FEDERAL FVPS	FEDERAL VOCA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 265,991	\$ 59,685	\$ 91,448	\$ 64,025	\$ -	\$ 20,198	\$ 235,356	
OPERATING EXPENSES	264,356	69,275	43,359	10,462	-	-	123,096	
EQUIPMENT	20,000	-	-	20,000	-	-	20,000	
TOTALS	<u>\$ 550,347</u>	<u>\$ 128,960</u>	<u>\$ 134,807</u>	<u>\$ 94,487</u>	<u>\$ -</u>	<u>\$ 20,198</u>	<u>\$ 378,452</u>	

PROJECT TITLE FAMILY JUSTICE CENTER PROGRAM
 GRANT AWARD NUMBER FJ 18-01-1043
 GRANT PERIOD JANUARY 1, 2019 THROUGH DECEMBER 31, 2020
 AUDIT PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

		<u>EXPENDITURES BY REVENUE SOURCE</u>						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 72,671	\$ -	\$ -	\$ 49,265	\$ -	\$ -	\$ 49,265	
OPERATING EXPENSES	283,427	-	-	115,941	-	-	115,941	
TOTALS	<u>\$ 356,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,206</u>	

PROJECT TITLE RAPE CRISIS RECOVERY ACT PROGRAM (SAN BENITO COUNTY)
 GRANT AWARD NUMBER RC 18-21-1043
 GRANT PERIOD OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019
 AUDIT PERIOD JULY 1, 2019 THROUGH SEPTEMBER 30, 2019

		<u>EXPENDITURES BY REVENUE SOURCE</u>						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 244,458	\$ 51,048	\$ -	\$ -	\$ -	\$ 7,884	\$ 58,932	
OPERATING EXPENSES	54,827	39,549	-	-	-	-	39,549	
TOTALS	<u>\$ 299,285</u>	<u>\$ 90,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,884</u>	<u>\$ 98,481</u>	

PROJECT TITLE RAPE CRISIS RECOVERY ACT PROGRAM (SAN BENITO COUNTY)
 GRANT AWARD NUMBER RC 19-22-1043
 GRANT PERIOD OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020
 AUDIT PERIOD OCTOBER 1, 2019 THROUGH JUNE 30, 2020

		<u>EXPENDITURES BY REVENUE SOURCE</u>						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 200,394	\$ 136,897	\$ -	\$ 9,920	\$ -	\$ 14,672	\$ 161,489	
OPERATING EXPENSES	60,969	47,110	-	2,021	-	-	49,131	
TOTALS	<u>\$ 261,363</u>	<u>\$ 184,007</u>	<u>\$ -</u>	<u>\$ 11,941</u>	<u>\$ -</u>	<u>\$ 14,672</u>	<u>\$ 210,620</u>	

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILIES AND INDIVIDUALS
SUPPLEMENTARY INFORMATION REQUIRED BY CALIFORNIA OFFICE OF EMERGENCY SERVICES
JUNE 30, 2020

PROJECT TITLE UNSERVED/UNDERSERVED VICTIM ADVOCACY
GRANT AWARD NUMBER XV 15 01 1043
GRANT PERIOD APRIL 1, 2016 THROUGH DECEMBER 31, 2019
AUDIT PERIOD JULY 1, 2019 THROUGH DECEMBER 31, 2019

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 370,307	\$ 46,778	\$ -	\$ -	\$ 1,698	\$ -	\$ 48,476
OPERATING EXPENSES	404,058	24,878	-	-	-	-	24,878
TOTALS	<u>\$ 774,365</u>	<u>\$ 71,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,698</u>	<u>\$ -</u>	<u>\$ 73,354</u>

PROJECT TITLE UNSERVED/UNDERSERVED VICTIM ADVOCACY AND OUTREACH PROGRAM
GRANT AWARD NUMBER UV 19 02 1043
GRANT PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2020
AUDIT PERIOD JANUARY 1, 2020 THROUGH JUNE 30, 2020

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 97,401	\$ 43,699	\$ -	\$ -	\$ -	\$ -	\$ 43,699
OPERATING EXPENSES	86,910	40,720	-	-	-	-	40,720
TOTALS	<u>\$ 184,311</u>	<u>\$ 84,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,419</u>

PROJECT TITLE HUMAN TRAFFICKING ASSISTANCE PROGRAM
GRANT AWARD NUMBER HV 18 01 1043
GRANT PERIOD APRIL 1, 2019 THROUGH JUNE 30, 2020
AUDIT PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 201,214	\$ -	\$ -	\$ 159,129	\$ -	\$ -	\$ 159,129
OPERATING EXPENSES	274,977	-	-	243,948	-	-	243,948
EQUIPMENT	-	-	-	-	-	-	-
TOTALS	<u>\$ 476,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,077</u>

PROJECT TITLE HUMAN TRAFFICKING ASSISTANCE PROGRAM
GRANT AWARD NUMBER HV 19 02 1043
GRANT PERIOD APRIL 1, 2020 THROUGH MARCH 31, 2021
AUDIT PERIOD APRIL 1, 2020 THROUGH JUNE 30, 2020

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 204,877	\$ -	\$ -	\$ 36,018	\$ -	\$ -	\$ 36,018
OPERATING EXPENSES	271,314	-	-	29,634	-	-	29,634
EQUIPMENT	-	-	-	-	-	-	-
TOTALS	<u>\$ 476,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,652</u>

PROJECT TITLE DOMESTIC VIOLENCE SUPPORT (PASSED THROUGH COUNTY OF SANTA CLARA)
GRANT AWARD NUMBER XC 16010430
GRANT PERIOD JULY 1, 2016 THROUGH DECEMBER 31, 2019
AUDIT PERIOD JULY 1, 2019 THROUGH DECEMBER 31, 2019

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 171,528	\$ 72,925	\$ -	\$ -	\$ -	\$ -	\$ 72,925
OPERATING EXPENSES	17,153	7,292	-	-	-	-	7,292
TOTALS	<u>\$ 188,681</u>	<u>\$ 80,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,217</u>

PROJECT TITLE DV HOUSING FIRST
GRANT AWARD NUMBER KD 17 01 1043
GRANT PERIOD OCTOBER 1, 2017 THROUGH DECEMBER 31, 2019
AUDIT PERIOD JULY 1, 2019 THROUGH DECEMBER 31, 2019

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 310,838	\$ 26,033	\$ -	\$ -	\$ -	\$ -	\$ 26,033
OPERATING EXPENSES	307,492	48,624	-	-	-	-	48,624
TOTALS	<u>\$ 618,330</u>	<u>\$ 74,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,657</u>

PROJECT TITLE DV HOUSING FIRST
GRANT AWARD NUMBER XD 19 02 1043
GRANT PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2020
AUDIT PERIOD JANUARY 1, 2020 THROUGH JUNE 30, 2020

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 174,889	\$ 54,444	\$ -	\$ -	\$ 11,821	\$ -	\$ 66,265
OPERATING EXPENSES	176,525	60,455	-	-	1,397	-	61,852
TOTALS	<u>\$ 351,414</u>	<u>\$ 114,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,218</u>	<u>\$ -</u>	<u>\$ 128,117</u>

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILY and INDIVIDUALS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Community Solutions for Children, Families and Individuals were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Community Solutions for Children, Families and Individuals were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs were disclosed during the audit.
5. The auditor's report on compliance for the major federal awards programs for Community Solutions for Children, Families and Individuals expresses an unmodified opinion on all major federal programs. The agency has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Expenditures reported on the Schedule of Federal and local Awards have been reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
6. There were no audit findings relating to major programs that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was Victims of Crime Act, CFDA 16.575.
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Community Solutions for Children, Families and Individuals qualified as a low risk auditee.

B. Findings and Questioned Costs from Prior Audit

None noted on prior audit.