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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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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, 2021 and June 30, 2020, 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, 2021, 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, 2021 and June 30, 2020, the changes in its cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2021 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, 2021, 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 24, 2021 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, 2020 financial statements, and our report dated September 25, 2020, 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, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



September 24, 2021

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statements of Financial Position
As of June 30, 2021 and June 30, 2020

	2021	2020
<u>ASSETS</u>		
Assets:		
Cash	\$ 2,590,595	\$ 2,717,545
Accounts receivable, net	94,412	604
Grants receivable, net	4,663,352	7,512,520
Unconditional promises to give:		
Pledges receivable	-	-
Investments	291,740	224,881
Prepaid expenses	96,288	100,626
Total current assets	<u>7,736,387</u>	<u>10,556,176</u>
 Fixed assets, net	 1,229,307	 1,345,876
 Deposits	 <u>102,246</u>	 <u>124,898</u>
TOTAL ASSETS	<u><u>\$ 9,067,940</u></u>	<u><u>\$ 12,026,950</u></u>
<u>LIABILITIES & NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 753,975	\$ 1,077,390
Accrued salaries & vacation	2,547,690	2,306,445
Other current liabilities	147,343	186,676
Accrued interest payable	29,561	67,416
Deferred revenue	2,179,066	2,013,654
Line of credit	-	-
Notes payable, current portion	71,639	1,524,779
Total current liabilities	<u>5,729,274</u>	<u>7,176,360</u>
 Grants payable, long term	 -	 46,918
Accrued interest payable	90,861	85,821
Notes payable	1,985,510	3,608,190
Total long term liabilities	<u>2,076,371</u>	<u>3,740,929</u>
Total liabilities	<u>7,805,645</u>	<u>10,917,289</u>
 Net assets		
Without donor restrictions	914,418	815,834
Without donor restrictions-board designated	291,740	224,881
With donor restrictions	56,137	68,946
Total net assets	<u>1,262,295</u>	<u>1,109,661</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 9,067,940</u></u>	<u><u>\$ 12,026,950</u></u>

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Activities
For the Year ended June 30, 2021
with summarized financial information for the year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	June 30, 2021 Totals	Comparative Summary Totals for the Year ended June 30, 2020
SUPPORT & REVENUE				
Support received directly				
Contributions	\$ 448,485	\$ 0	\$ 448,485	\$ 270,295
Contributions, in-kind	33,266		33,266	131,426
Special events, less expenses of \$27,241 and \$57,171	103,321		103,321	150,196
Forgiveness of indebtedness	3,000,800		3,000,800	582,095
Foundations and grants	405,212		405,212	82,742
Support received indirectly				
United Way	101		101	636
Total support	3,991,185	-	3,991,185	1,217,390
Revenue				
Government grants and fees	34,337,250		34,337,250	34,210,867
Investment income	78,476		78,476	15,109
Program rents received	344,896		344,896	351,459
Other income	22,791		22,791	24,820
Fees for services	466,325		466,325	467,505
Total revenue	35,249,738	-	35,249,738	35,069,760
Net assets released from restrictions	12,809	(12,809)	-	-
TOTAL SUPPORT & REVENUE	39,253,732	(12,809)	39,240,923	36,287,150
EXPENSES				
Program Services				
Behavioral Health Care	26,987,266		26,987,266	26,584,497
Prevention and Education	679,911		679,911	658,520
Solutions to Violence	7,453,672		7,453,672	5,661,369
Total Program Services	35,120,849	-	35,120,849	32,904,386
Support Services				
Management and General	3,444,886		3,444,886	2,985,122
Fund Development	522,554		522,554	357,379
Total Support Services	3,967,440	-	3,967,440	3,342,501
TOTAL EXPENSES	39,088,289	-	39,088,289	36,246,887
Change in net assets from operations	165,443	(12,809)	152,634	40,263
Net assets at beginning of year	1,040,715	68,946	1,109,661	1,069,398
Net assets at end of year	\$ 1,206,158	\$ 56,137	\$ 1,262,295	\$ 1,109,661

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Functional Expenses
For the Year ended June 30, 2021
with summarized financial information for the year ended June 30, 2020

	PROGRAM SERVICES				Comparative Summary
	Behavioral Health Care	Prevention and Education	Solutions to Violence	June 30, 2021 Totals	Totals for the Year ended June 30, 2020
Salaries	\$ 15,972,794	\$ 406,743	\$ 3,238,108	\$ 19,617,645	\$ 19,509,376
Payroll taxes & employee benefits	4,336,450	110,750	991,803	5,439,003	5,219,267
Total salaries & related expenses	20,309,244	517,493	4,229,911	25,056,648	24,728,643
Professional fees	2,186,552	8,678	1,371,159	3,566,389	2,729,816
Supplies	248,934	26,539	130,921	406,394	558,417
Telephone	188,169	8,565	45,664	242,398	220,776
Postage & shipping	2,628	161	761	3,550	27,033
Occupancy	909,015	42,590	252,431	1,204,036	1,238,095
Insurance	125,643	3,695	25,530	154,868	116,915
Utilities	167,629	16,366	45,396	229,391	219,674
Interest	27,386	5,838	1,171	34,395	35,454
Equipment maintenance & rental	189,350	1,758	15,280	206,388	241,256
Printing & publications	1,153	41	25,094	26,288	48,931
Travel	245,837	911	37,711	284,459	572,041
Conferences, conventions & meetings	68,210	1,656	58,324	128,190	184,460
Specific assistance to individuals	2,006,782	7,308	1,197,429	3,211,519	1,526,458
Dues & subscriptions	133,135	534	7,302	140,971	122,886
Licensing fees & taxes	48,033	18,316	1,465	67,814	135,368
Bad debt	6,334			6,334	23,289
Miscellaneous	30,394	1,216	4,489	36,099	60,757
Total expenses before depreciation & amortization	26,894,428	661,665	7,450,038	35,006,131	32,790,269
Depreciation & amortization	92,838	18,246	3,634	114,718	114,117
TOTAL EXPENSES	\$ 26,987,266	\$ 679,911	\$ 7,453,672	\$ 35,120,849	\$ 32,904,386

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Functional Expenses
For the Year ended June 30, 2021
with summarized financial information for the year ended June 30, 2020

	TOTAL PROGRAM SERVICES	MANAGEMENT & SUPPORT SERVICES			June 30, 2021 PROGRAM & SUPPORT SERVICES TOTALS	Comparative Summary Totals for the Year ended June 30, 2020
		Management & General	Fund Development	Total Mgmt. & Sup. Svcs		
Salaries	\$ 19,617,645	\$ 2,055,969	\$ 350,770	\$ 2,406,739	\$ 22,024,384	\$ 21,466,492
Payroll taxes & employee benefits	5,439,003	497,144	103,075	600,219	6,039,222	5,754,866
Total salaries & related expenses	25,056,648	2,553,113	453,845	3,006,958	28,063,606	27,221,358
Professional fees	3,566,389	619,251	26,895	646,146	4,212,535	3,242,047
Supplies	406,394	23,077	2,509	25,586	431,980	602,026
Telephone	242,398	18,484	2,852	21,336	263,734	239,356
Postage & shipping	3,550	5,336	2,210	7,546	11,096	37,124
Occupancy	1,204,036	101,965	11,247	113,212	1,317,248	1,366,760
Insurance	154,868	12,476	2,425	14,901	169,769	126,284
Utilities	229,391	11,127	1,651	12,778	242,169	231,380
Interest	34,395	5,201	-	5,201	39,596	41,681
Equipment maintenance & rental	206,388	11,196	1,246	12,442	218,830	259,863
Printing & publications	26,288	16,529	5,500	22,029	48,317	66,267
Travel	284,459	22,504	390	22,894	307,353	592,087
Conferences, conventions & meetings	128,190	15,766	8,087	23,853	152,043	204,880
Specific assistance to individuals	3,211,519	-	-	-	3,211,519	1,526,458
Dues & subscriptions	140,971	10,485	434	10,919	151,890	131,942
Licensing fees & taxes	67,814	7,350	2,456	9,806	77,620	147,295
Bad debt	6,334	-	-	-	6,334	23,289
Miscellaneous	36,099	9,306	677	9,983	46,082	70,222
Total expenses before depreciation & amortization	35,006,131	3,443,166	522,424	3,965,590	38,971,721	36,130,319
Depreciation & amortization	114,718	1,720	130	1,850	116,568	116,568
TOTAL EXPENSES	\$ 35,120,849	\$ 3,444,886	\$ 522,554	\$ 3,967,440	\$ 39,088,289	\$ 36,246,887

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statements of Cash Flows
For the Years ended June 30, 2021 and June 30, 2020

	2021	2020
Cash flows from operating activities:		
Increase (decrease) in net assets from operations	\$ 152,634	\$ 40,263
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	116,568	116,568
Forgiveness of debt included in support	(3,000,800)	(583,095)
Investment management fees deducted	4,441	4,811
Reinvestment of earnings from investments	(10,391)	(10,992)
Unrealized (gain) loss on investments	(60,909)	5,990
Changes in assets & liabilities:		
Decrease (increase) in accounts and grants receivable	2,755,360	(1,742,105)
Decrease (increase) in deposits and prepaid expenses	26,990	(15,256)
Increase (decrease) in payables and accrued liabilities	(35,823)	70,034
Net cash (used) provided by operating activities	<u>(51,930)</u>	<u>(2,113,782)</u>
Cash flows from investing activities		
Acquisition of fixed assets	<u> </u>	<u> </u>
Net cash provided (used) by investing activities		
Cash flows from financing activities		
Proceeds from long term borrowing		4,721,407
Repayments of long-term debt	(75,020)	(34,196)
Net cash provided (used) by financing activities	<u>(75,020)</u>	<u>4,687,211</u>
Net (decrease) increase in cash	<u>(126,950)</u>	<u>2,573,429</u>
Cash, beginning of year	2,717,545	144,116
Cash, end of year	<u><u>\$ 2,590,595</u></u>	<u><u>\$ 2,717,545</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:		
Interest	\$ 72,412	\$ 31,196
Income taxes	\$ 0	\$ 0
Supplemental noncash disclosures:		
Cost basis of assets disposed	\$ 0	\$ 0
Assets acquired via financing	\$ 0	\$ 0

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021**

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, 2021, and June 30, 2020, 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, 2021 and June 30, 2020 are six restricted certificates of deposit totaling \$120,924 and \$116,254, 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, 2021 and June 30, 2020, respectively. Bad debt expense charged to operations during the years ended June 30, 2021 and June 30, 2020 totaled \$6,334 and \$23,289, 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, 2018 through June 30, 2021 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, 2021**

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, 2021 and June 30, 2020, the cost and related accumulated depreciation for such assets is as follows:

	<u>2021</u>	<u>2020</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>1,012,602</u>	<u>896,033</u>
	<u>\$ 1,229,307</u>	<u>\$ 1,345,876</u>

Depreciation and amortization expense charged for the years ended June 30, 2021 and June 30, 2020 was \$116,568 and \$116,568, respectively. In addition, for the years ended June 30, 2021 and June 30, 2020, \$138,343 and \$157,334, 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, 2021 and June 30, 2020.

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, 2020, 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 \$33,266 and \$131,426 were contributed by specially trained relief workers involved in the rape crisis program during the years ended June 30, 2021 and June 30, 2020, respectively.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021 and 2020. The investments are not insured.

	<u>2021</u>	<u>2020</u>
SV Community Foundation pooled investment fund	\$ 291,740	\$ 224,881

The fair market value of these investments reflects an unrealized gain (loss) of \$60,909 and (\$5,990) as of June 30, 2021 and 2020. Investment returns are shown net of management fees. Components of investment income are as follows for the year ended:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$12,622	\$ 15,730
Realized gains and losses	9,386	10,250
Unrealized gains and losses	60,909	(5,990)
Management fees charged	(4,441)	(4,881)
	<u>\$78,476</u>	<u>\$ 15,109</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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Behavioral Sciences	\$3,424,482	\$5,862,322
CAL OES/Human Trafficking	874,767	936,957
Block Grants	72,175	70,962
Social Services	286,475	638,542
Other Grants	<u>156,833</u>	<u>155,117</u>
Grants receivable	4,814,732	7,663,900
Program and other fees receivable	94,412	604
Less: allowance for doubtful accounts	<u>(151,380)</u>	<u>(151,380)</u>
Total	<u>\$4,757,764</u>	<u>\$7,513,124</u>

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

5. LONG-TERM DEBT:

Long-term debt at June 30, 2021, 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	\$ 17,200	\$ 125,798
Pinnacle Bank, secured by real property, monthly payments of \$2,038	5.25%	7/21/2028	7,800	315,607
U.S. Small Business Administration PPP loan, unsecured, balance forgiven in entirety July 2021	1.00%	10/29/22	0	1,214,877
Ally Financial, secured by personal property, monthly payments \$665	8.34%	10/1/2024	6,213	22,639
Ally Financial, secured by personal property, monthly payments \$789	9.19%	5/1/2025	6,976	30,386
State of California, secured by real property, monthly payments deferred	3% deferred	12/19/2026	0	117,081
State of California, secured by real property, monthly payments deferred	3% deferred	8/21/2022	0	77,499
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>\$ 71,639</u>	<u>\$2,057,149</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, 2021 a total of \$41,049 was paid down or forgiven against the cumulative accrued interest payable. As of June 30, 2021, the cumulative accrued interest payable under these loans of \$120,422 is presented as a long-term liability, less a current provision for the County of Santa Clara loan that matured May 2016. The Small Business Administration PPP loan contains provisions that allow for partial, or full, forgiveness of the outstanding principal assuming certain conditions were met by the Agency no later than October 2020. The entire balance was forgiven in August 2021.

In addition, the Agency has in place a line of credit of \$1,500,000 at an interest rate of 5.25% maturing December 2022. Terms of this facility require the Agency to maintain certain financial measurements and conditions for usage. As of June 30, 2021, 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, 2021 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, 2022	\$ 71,639
Year ending June 30, 2023	117,841
Year ending June 30, 2024	42,710
Year ending June 30, 2025	37,484
Year ending June 30, 2026	29,000
Thereafter (including PPP balance)	<u>1,758,475</u>
	<u>\$2,057,149</u>

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

6. FACILITY LEASE COMMITMENTS:

The lease for the Agency's administration office continues to April 2022, and requires monthly rental payments of \$42,122 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 \$88,836. Rent expense paid totaled \$1,082,236 and \$1,073,232 for the years ended June 30, 2021 and June 30, 2020, respectively. Existing future annual facility lease commitments are:

Year ending June 30, 2022	\$996,431
Year ending June 30, 2023	427,407
Year ending June 30, 2024	200,670

7. EQUIPMENT LEASE COMMITMENTS:

The Agency is obligated under seventeen non-cancelable operating leases expiring October 2025 for the rental of certain office equipment. The minimum annual rental payments under these equipment leases are:

Years ending June 30, 2022-2025	\$27,840
Year ending June 30, 2026	9,280

Total payments made under all equipment lease agreements were \$54,563 and \$38,323 for the years ended June 30, 2021 and June 30, 2020, 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, 2021 and June 30, 2020, the Agency's contributions totaled \$356,892 and \$318,101, respectively.

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

As of June 30, 2021 and June 30, 2020, the Agency has reserved \$1,548,582 and \$1,713,293, 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, 2021**

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 December 2022, which it could draw upon. The Agency's financial assets that are available within one year of June 30, 2021 and June 30, 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,590,523	\$ 2,717,545
Accounts receivable, net	94,412	604
Grants receivable, net	4,663,352	7,512,520
Pledges receivable	-	-
Investments	<u>291,740</u>	<u>224,881</u>
	<u>\$ 7,640,027</u>	<u>\$ 10,455,550</u>
Liquidity Resources		
Line of credit	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

12. RESTRICTED NET ASSETS:

As of June 30, 2021 and 2020, the Agency's donor restricted net assets consist of the following:

	<u>2021</u>	<u>2020</u>
Time restriction-		
Foundations and pledges	\$ -	\$ -
Use restrictions-		
Foundation – programs	-	-
Real property under HUD/HCD restrictions to year 2027	<u>56,137</u>	<u>68,946</u>
	<u>\$ 56,137</u>	<u>\$ 68,946</u>

In addition, the Agency's board of directors has designated that \$291,740 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Time restriction-		
Foundations	\$ -	\$ (5,440)
Use restrictions-		
Foundation grants	-	-
Real property under regulatory restrictions	<u>12,809</u>	<u>10,256</u>
	<u>\$ 12,809</u>	<u>\$ (4,816)</u>

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

14. RECENT ACCOUNTING PRONOUNCEMENTS:

In 2021, the Agency adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 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. Implementation of this guidance did not impact the valuation or methodologies of the Agency's revenues. 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. Management has not determined the effect, if any, of implementing the new standard.

15. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through September 24, 2021, 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, 2021

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	\$ 50,743	\$ 50,743
Department of Justice, passed through Bay Area Legal Aid, support services, Grant XL-16011008	16.575	18,000	11,408	11,408
Department of Justice, passed through County of Santa Clara, domestic violence support, Grant XC-1601043	16.575	169,000	103,991	103,991
Department of Justice, passed through State of California OES, unserved/underserved victim advocacy, Grant UV-20031043	16.575	182,444	97,676	97,676
Department of Justice, passed through State of California OES, unserved/underserved victim advocacy, Grant UV-19021043	16.575	175,001	80,064	80,064
Department of Justice, passed through State of California OES, sexual assault services, La Isla, Grant DV-20121043	16.575	335,607	335,024	335,024
Department of Justice, passed through State of California OES, sexual assault services, La Isla, Grant DV-19111043	16.575	197,252	62,445	62,445
Department of Justice, passed through State of California OES, DV housing first, Grant XD-19021043	16.575	334,680	218,090	218,090
Department of Justice, passed through State of California OES, DV housing first, Grant XD-20031043	16.575	344,722	162,646	162,646
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-20231043	16.575	241,315	174,042	174,042
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-19331043	16.575	274,972	103,704	103,704
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-20341043	16.575	282,662	198,066	198,066
subtotal	16.575	2,790,405	1,597,899	1,597,899
Total Major Programs		2,790,405	1,597,899	1,597,899
<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	167,079	38,029	38,029
Department of Justice, Office of Justice Programs, human trafficking support, Grant 2018-VT-BX-K023	16.830	255,068	222,003	222,003
Department of Justice, Office of Justice Programs, human trafficking support, Grant 2019-GF-FX-004	16.830	446,684	131,231	131,231
subtotal	16.830	701,752	391,263	391,263
Department of Health and Human Services, passed through California Department of Public Health, injury prevention and control, Grant 18-10716	93.136	272,104	144,748	144,748
Department of Housing & Urban Development, passed through County of Santa Clara, community development block grant, Grant PS-20-04	14.218	23,353	22,210	22,210
FEMA, passed through United Way, emergency food and shelter, phase 37/38	97.024	36,000	36,000	36,000
Total Non Major Programs		1,200,288	594,221	594,221
Total federal financial assistance (continued to next page)		\$3,990,693	\$2,192,120	\$2,192,120

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Schedule of Expenditures of Federal, State and Local Awards (continued)
For the Year ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	Program or Award Amount	Receipts/ Revenue Recognized	Disbursements/ Expenditures Incurred
Total federal financial assistance (from previous page)	\$3,990,693	\$2,192,120	\$2,192,120
<u>State and local assistance</u>			
City of Gilroy, THRIVE	89,984	77,010	77,010
City of San Jose, passed through YWCA, OVW	79,964	28,958	28,958
County of San Benito, CSEC	159,117	158,993	158,993
County of Santa Clara, passed through YWCA, domestic violence services program	383,441	383,441	383,441
County of Santa Clara, passed through YWCA, YWCA DV bonus COC	71,691	71,691	71,691
County of Santa Clara, CSEC, Grant 43000012414	870,514	851,430	851,430
County of Santa Clara, mental health, CSS-C03, F&C, Grant 4300018827	3,876,420	3,267,605	3,267,605
County of Santa Clara, mental health, First 5 Services, Grant 4300018830	2,574,213	1,212,516	1,212,516
County of Santa Clara, mental health, family and children SOS, Grant 4300018826	381,135	10,705	10,705
County of Santa Clara, MHSA, CSS BOHS Redesign, Grant 4300018847	3,470,661	3,222,796	3,222,796
County of Santa Clara, MHSA, CSS-T01 TAY FSP Grant 4300018832	6,288,279	2,912,940	2,912,940
County of Santa Clara, MHSA, PEI-P2 Strengthening Families, Grant 4300018837	795,475	471,165	471,165
County of Santa Clara, MHSA, CSS-C01 Child FSP, Grant 4300018840	4,735,756	1,852,937	1,852,937
County of Santa Clara, MHSA, SD Adult Dual Diagnosis, Grant 4300018843	655,864	503,073	503,073
County of Santa Clara, MHSA, CSS-A01 Adult, Grant 4300018852	875,260	849,840	849,840
County of Santa Clara, MHSA, 24 Hour Care Madrone, Grant 4300018855	2,075,628	1,429,358	1,429,358
County of Santa Clara, MHSA, CSS Adult/Older Adult, Grant 4300018857	5,942,999	1,750,700	1,750,700
County of Santa Clara, MHSA, CSS Older Adult FSP, Grant 4300018860	232,149	225,383	225,383
County of Santa Clara, MHSA, IMD Alternative, Grant 4300018862	873,324	602,714	602,714
County of Santa Clara, MHSA, SAMSHA Co-Occurring, Grant 4300018934	100,050	45,219	45,219
County of Santa Clara, MHSA, CSJ AB 109, Grant 4300018928	590,609	375,821	375,821
County of Santa Clara, MHSA, CGF AOA Expansion, Grant 4300018929	462,635	247,551	247,551
County of Santa Clara, MHSA, CJS CSS CJ Aftercare, Grant 4300018930	560,962	82,405	82,405
County of Santa Clara, MHSA, CJ Adult Services, Grant 4300018931	451,863	310,689	310,689
County of Santa Clara, MHSA, PEI School Linked Services, Grant 4300018833	733,884	688,453	688,453
County of Santa Clara, MHSA, CSS A-03 CJ FSP, Grant 4300018932	9,625,921	3,241,428	3,241,428
County of Santa Clara, MHSA, Prop 47, Grant 4300018933	1,212,870	696,732	696,732
County of Santa Clara, MHSA, CJ Evans Lane THU, Grant 4300018935	378,283	305,134	305,134
County of Santa Clara, MHSA, Supportive Housing AB109, Grant 4300018936	1,102,680	610,242	610,242
County of Santa Clara, MHSA, CSS Housing Services U-819, Grant 4300018937	566,006	318,231	318,231
County of Santa Clara, MHSA, CJS CDCR Mentally Ill Grant 4300018927	284,790	97,736	97,736
County of Santa Clara, MHSA, CSS housing Services U-478 Grant 4300019063	858,596	568,692	568,692
County of Santa Clara, MHSA, CSS housing Services U-477 Grant 4300019064	377,705	146,596	146,596
County of Santa Clara, MHSA, Supportive housing OSH Adult, Grant 4300019246	539,912	225,214	225,214
County of Santa Clara, passed through City of San Jose, HT coalition, Grant 126-04-10-075	62,500	50,000	50,000
County of Santa Clara, passed through Sacred Heart Community Services, homeless prevention	202,618	144,351	144,351
County of Santa Clara, passed through Sacred Heart Community Services, Destination Home	496,042	300,193	300,193
County of Santa Clara, Office of Supportive Housing, El Jardin Pacifica, Grant 4300016422	968,541	446,120	446,120
County of Santa Clara, rape crisis center services, Grant 4300018295	500,000	498,425	498,425
County of Santa Clara, Regional Anti Trafficking, Grant 4300014806	325,000	113,635	113,635
County of Santa Clara, Probationers Fees, TF 0378	5,022	5,022	5,022
County of Santa Clara, Casitas Pacificas	400,000	282,045	282,045
County of Santa Clara, DV Stopgap, Grant 4300012083	70,070	30,739	30,739
County of Santa Clara, GBV Survivor Intervention, Grant 4300020008	334,347	60,146	60,146
County of Santa Clara, GBV Community Based, Grant 4300020007	175,568	15,415	15,415
County of Santa Clara, youth intervention and prevention IPV, Grant 4300016772	174,294	174,285	174,285
County of Santa Clara, community based prevention IPV, Grant 4300016770	169,578	169,577	169,577
County of Santa Clara, victims rights advocacy, Grant 4300016773	173,934	27,462	27,462
County of Santa Clara, victims advocacy pilot, Grant 4300018698	234,483	135,685	135,685
County of Santa Clara, passed through Santa Clara University, trafficking, Grant SCC017	368,759	366,126	366,126
County of Santa Clara, marriage licensing, Grant TF-0231	34,431	31,892	31,892
County of Santa Clara, substance use treatment services, Grant 440007956	123,750	123,750	123,750
County of Santa Clara, COVID Promotoras Outreach	217,861	217,861	217,861
County of Santa Clara, Strangulation Response Program, Grant 440008070	124,500	37,500	37,500
County of Santa Clara, passed through SCFHP, Health Homes	40,048	40,048	40,048
State of California, OES, shelter, Grant DV-20121043	201,980	50,481	50,481
State of California, OES, shelter, Grant DV-19111043	203,937	109,450	109,450
State of California, OES, human trafficking assistance, Grant HV-19021043	476,191	388,192	388,192
State of California, OES, human trafficking assistance, Grant HV-20031043	476,191	118,831	118,831
State of California, OES, family justice center, Grant FJ-18011043	356,098	148,457	148,457
State of California, OES, passed through YWCA, family justice center, Grant 2018-WE-AX029	291,916	137,130	137,130
State of California, OES, passed through Step Forward Foundation, KL 2003-1333 & XL 1901-1333	70,000	31,724	31,724
State of California, OES, sexual assault services, Grant RC-20231043	11,941	9,153	9,153
State of California, OES, sexual assault services, Grant RC-20341043	13,987	10,309	10,309
State of California, passed through SCVHP, Medicare direct	27,728	27,728	27,728
Total state & local government assistance	59,609,955	32,145,130	32,145,130
GRAND TOTALS	\$ 63,600,648	\$ 34,337,250	\$ 34,337,250

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, 2021, 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 24, 2021.

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) as a basis for designing 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 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 24, 2021

**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, 2021. 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, 2021.

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 24, 2021

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILIES AND INDIVIDUALS
SUPPLEMENTARY INFORMATION REQUIRED BY CALIFORNIA OFFICE OF EMERGENCY SERVICES
JUNE 30, 2021

PROJECT TITLE RAPE CRISIS RECOVERY ACT PROGRAM (SANTA CLARA COUNTY)
GRANT AWARD NUMBER RC 20-34-1043
GRANT PERIOD OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021
AUDIT PERIOD OCTOBER 1, 2020 THROUGH JUNE 30, 2021

	EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 204,125	\$ 136,768	\$ -	\$ -	\$ -	\$ -	\$ 136,768
OPERATING EXPENSES	92,524	61,298	-	-	-	-	61,298
TOTALS	\$ 296,649	\$ 198,066	\$ -	\$ -	\$ -	\$ -	\$ 198,066

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 JULY 1, 2020 THROUGH SEPTEMBER 30, 2020

	EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 237,063	\$ 66,154	\$ -	\$ -	\$ -	\$ -	\$ 66,154
OPERATING EXPENSES	69,082	37,550	-	-	-	-	37,550
TOTALS	\$ 306,145	\$ 103,704	\$ -	\$ -	\$ -	\$ -	\$ 103,704

PROJECT TITLE LA ISLA PACIFICA DOMESTIC VIOLENCE SHELTER AND SERVICE
GRANT AWARD NUMBER DV 20-12-1043
GRANT PERIOD OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021
AUDIT PERIOD OCTOBER 1, 2020 THROUGH JUNE 30, 2021

	EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL FVPS	FEDERAL VOCA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 277,117	\$ -	\$ 178,628	\$ 45,181	\$ -	\$ -	\$ 223,809
OPERATING EXPENSES	260,470	-	156,396	-	-	-	156,396
EQUIPMENT	-	-	-	5,300	-	-	5,300
TOTALS	\$ 537,587	\$ -	\$ 335,024	\$ 50,481	\$ -	\$ -	\$ 385,505

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 JULY 1, 2020 THROUGH SEPTEMBER 30, 2020

	EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL FVPS	FEDERAL VOCA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 265,991	\$ 14,248	\$ -	\$ 33,382	\$ -	\$ -	\$ 47,630
OPERATING EXPENSES	264,356	23,781	62,445	76,068	-	-	162,294
EQUIPMENT	20,000	-	-	-	-	-	-
TOTALS	\$ 550,347	\$ 38,029	\$ 62,445	\$ 109,450	\$ -	\$ -	\$ 209,924

PROJECT TITLE FAMILY JUSTICE CENTER PROGRAM
GRANT AWARD NUMBER FJ 18-01-1043
GRANT PERIOD JANUARY 1, 2019 THROUGH MARCH 31, 2021
AUDIT PERIOD JULY 1, 2020 THROUGH MARCH 31, 2021

	EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 72,671	\$ -	\$ -	\$ 24,505	\$ -	\$ -	\$ 24,505
OPERATING EXPENSES	283,427	-	-	123,952	-	-	123,952
TOTALS	\$ 356,098	\$ -	\$ -	\$ 148,457	\$ -	\$ -	\$ 148,457

PROJECT TITLE RAPE CRISIS RECOVERY ACT PROGRAM (SAN BENITO COUNTY)
GRANT AWARD NUMBER RC 20-23-1043
GRANT PERIOD OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021
AUDIT PERIOD OCTOBER 1, 2020 THROUGH JUNE 30, 2021

	EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 171,235	\$ 127,128	\$ -	\$ 6,495	\$ -	\$ -	\$ 133,623
OPERATING EXPENSES	82,021	46,914	-	2,658	-	-	49,572
TOTALS	\$ 253,256	\$ 174,042	\$ -	\$ 9,153	\$ -	\$ -	\$ 183,195

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 JULY 1, 2020 THROUGH SEPTEMBER 30, 2020

	EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 200,394	\$ 42,684	\$ -	\$ -	\$ -	\$ -	\$ 42,684
OPERATING EXPENSES	60,969	8,059	-	-	-	-	8,059
TOTALS	\$ 261,363	\$ 50,743	\$ -	\$ -	\$ -	\$ -	\$ 50,743

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILIES AND INDIVIDUALS
SUPPLEMENTARY INFORMATION REQUIRED BY CALIFORNIA OFFICE OF EMERGENCY SERVICES
JUNE 30, 2021

PROJECT TITLE UNSERVED/UNDERSERVED VICTIM ADVOCACY
GRANT AWARD NUMBER UV 20 03 1043
GRANT PERIOD JANUARY 1, 2021 THROUGH DECEMBER 31, 2021
AUDIT PERIOD JANUARY 1, 2021 THROUGH JUNE 30, 2021

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 94,101	\$ 56,908	\$ -	\$ -	\$ -	\$ -	\$ 56,908
OPERATING EXPENSES	88,343	40,768	-	-	-	-	40,768
TOTALS	<u>\$ 182,444</u>	<u>\$ 97,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,676</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 JULY 1, 2020 THROUGH DECEMBER 31, 2020

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 97,401	\$ 38,874	\$ -	\$ -	\$ -	\$ -	\$ 38,874
OPERATING EXPENSES	86,910	41,190	-	-	-	-	41,190
TOTALS	<u>\$ 184,311</u>	<u>\$ 80,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,064</u>

PROJECT TITLE HUMAN TRAFFICKING ASSISTANCE PROGRAM
GRANT AWARD NUMBER HV 20 03 1043
GRANT PERIOD APRIL 1, 2021 THROUGH JUNE 30, 2022
AUDIT PERIOD APRIL 1, 2021 THROUGH JUNE 30, 2021

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 226,832	\$ -	\$ -	\$ 48,743	\$ -	\$ -	\$ 48,743
OPERATING EXPENSES	249,559	-	-	70,088	-	-	70,088
EQUIPMENT	-	-	-	-	-	-	-
TOTALS	<u>\$ 476,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,831</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 JULY 1, 2020 THROUGH March 31, 2021

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 204,877	\$ -	\$ -	\$ 133,545	\$ -	\$ -	\$ 133,545
OPERATING EXPENSES	271,314	-	-	254,647	-	-	254,647
EQUIPMENT	-	-	-	-	-	-	-
TOTALS	<u>\$ 476,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 388,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 388,192</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, 2021
AUDIT PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 235,699	\$ 82,709	\$ -	\$ -	\$ -	\$ -	\$ 82,709
OPERATING EXPENSES	42,982	21,281	-	-	-	-	21,281
TOTALS	<u>\$ 278,681</u>	<u>\$ 103,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,990</u>

PROJECT TITLE DV HOUSING FIRST
GRANT AWARD NUMBER XD 20 03 1043
GRANT PERIOD JANUARY 1, 2021 THROUGH DECEMBER 31, 2021
AUDIT PERIOD JANUARY 1, 2021 THROUGH JUNE 30, 2021

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 133,133	\$ 54,443	\$ -	\$ -	\$ -	\$ -	\$ 54,443
OPERATING EXPENSES	211,589	108,203	-	-	-	-	108,203
TOTALS	<u>\$ 344,722</u>	<u>\$ 162,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,646</u>

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

	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 171,379	\$ 56,626	\$ -	\$ -	\$ -	\$ 6	\$ 56,632
OPERATING EXPENSES	176,525	161,464	-	-	-	-	161,464
TOTALS	<u>\$ 347,904</u>	<u>\$ 218,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 218,096</u>

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILY and INDIVIDUALS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

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.