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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

COMMUNITY SOLUTIONS
for Children, Families and Individuals

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2025 and June 30, 2024, 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, 2025, and the related notes to the financial statements. In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Solutions as of June 30, 2025 and June 30, 2024, the changes in its cash flows for the fiscal years then ended, and the changes in its net assets for the fiscal year ended June 30, 2025 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Solutions and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Solutions' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Solutions' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Solutions' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

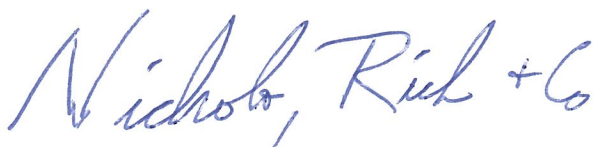
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2025, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, California Office of Emergency Services (OES) supplementary information for the year ended June 30, 2025, as required by OES, and schedule of state and local awards are presented for purposes of additional analysis and is 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 schedule of expenditures of federal, state, and local awards 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 October 14, 2025 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 the effectiveness of Community Solutions' 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, 2024 financial statements, and our report dated October 14, 2024, 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, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



October 14, 2025

Nichols, Rick & Company

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statements of Financial Position
As of June 30, 2025 and June 30, 2024

	2025	2024
<u>ASSETS</u>		
Assets:		
Cash	\$ 3,598,489	\$ 140,367
Accounts receivable, net	593,611	207,039
Grants receivable, net	10,638,405	11,114,085
Unconditional promises to give:		
Pledges receivable	10,000	80,000
Investments	327,114	297,108
Prepaid expenses	568,008	472,670
Total current assets	<u>15,735,627</u>	<u>12,311,269</u>
 Fixed assets, net	 984,055	 1,020,796
 Operating lease-right to use	 2,407,876	 3,590,229
Deposits	<u>112,246</u>	<u>117,246</u>
TOTAL ASSETS	<u>\$ 19,239,804</u>	<u>\$ 17,039,540</u>

<u>LIABILITIES & NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 767,559	\$ 1,780,341
Accrued salaries & vacation	2,605,916	2,146,870
Other current liabilities	64,555	410,679
Accrued interest payable	34,246	33,075
Deferred revenue	251,270	3,566,089
Operating lease liability	986,438	1,169,894
Line of credit	-	950,000
Notes payable, current portion	<u>60,150</u>	<u>67,831</u>
Total current liabilities	4,770,134	10,124,779
 Operating lease liability, net of current	 1,421,438	 2,420,335
Accrued interest payable	114,978	110,935
Notes payable	<u>546,967</u>	<u>573,272</u>
Total long term liabilities	2,083,383	3,104,542
Total liabilities	6,853,517	13,229,321
 Net assets		
Without donor restrictions	11,567,207	3,433,111
Without donor restrictions-board designated	297,108	297,108
With donor restrictions	<u>521,972</u>	<u>80,000</u>
Total net assets	<u>12,386,287</u>	<u>3,810,219</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 19,239,804</u>	<u>\$ 17,039,540</u>

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Activities
For the Year ended June 30, 2025
with summarized financial information for the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	June 30, 2025 Totals	Comparative Summary Totals for the Year ended June 30, 2024
SUPPORT & REVENUE				
Support received directly				
Contributions	\$ 329,936	\$ 419,472	\$ 749,408	\$ 337,286
Special events, less expenses of \$39,483 and \$42,339	260,790		260,790	136,774
Foundations and grants	-	102,500	102,500	270,000
Support received indirectly				
United Way	1,989		1,989	15,372
Total support	592,715	521,972	1,114,687	759,432
Revenue				
Government grants and fees	57,066,147		57,066,147	51,853,788
Investment income	35,226		35,226	35,281
Program rents received	183,125		183,125	264,538
Other income	13,514		13,514	47,093
Fees for services	722,451		722,451	303,618
Total revenue	58,020,463	-	58,020,463	52,504,318
Net assets released from restrictions	80,000	(80,000)	-	-
TOTAL SUPPORT & REVENUE	58,693,178	441,972	59,135,150	53,263,750
EXPENSES				
Program Services				
Behavioral Health Care	36,493,662		36,493,662	35,181,846
Other Community Services	3,598,337		3,598,337	2,414,056
Solutions to Violence	7,692,082		7,692,082	8,475,668
Total Program Services	47,784,081	-	47,784,081	46,071,570
Support Services				
Management and General	5,029,355		5,029,355	4,690,384
Fund Development	376,639		376,639	499,289
Total Support Services	5,405,994	-	5,405,994	5,189,673
TOTAL EXPENSES	53,190,075	-	53,190,075	51,261,243
Change in net assets from operations	5,503,103	441,972	5,945,075	2,002,507
Change in net assets, other	2,630,993	-	2,630,993	-
Net assets at beginning of year	3,730,219	80,000	3,810,219	1,807,712
Net assets at end of year	\$ 11,864,315	\$ 521,972	\$ 12,386,287	\$ 3,810,219

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Functional Expenses
For the Year ended June 30, 2025
with summarized financial information for the year ended June 30, 2024

	PROGRAM SERVICES				Comparative Summary Totals for the Year ended June 30, 2024
	Behavioral Health Care	Other Community Services	Solutions to Violence	June 30, 2025 Totals	
Salaries	\$ 21,712,662	\$ 2,382,237	\$ 3,497,285	\$ 27,592,184	\$ 23,478,784
Payroll taxes & employee benefits	6,181,238	544,077	1,083,912	7,809,227	6,723,120
Total salaries & related expenses	27,893,900	2,926,314	4,581,197	35,401,411	30,201,904
Professional fees	2,115,937	137,143	762,393	3,015,473	3,188,348
Supplies	549,629	61,954	146,767	758,350	686,502
Telephone	198,948	33,929	39,828	272,705	204,341
Postage & shipping	5,071	429	420	5,920	7,322
Occupancy	1,534,685	133,339	201,385	1,869,409	1,820,814
Insurance	187,178	32,792	31,529	251,499	258,108
Utilities	306,423	28,766	37,604	372,793	321,262
Interest	31,609	530	1,171	33,310	35,514
Equipment maintenance & rental	285,988	10,038	8,467	304,493	319,684
Printing & publications	7,967	1,646	17,230	26,843	28,385
Travel	443,207	46,154	89,544	578,905	545,223
Conferences, conventions & meetings	83,391	12,479	104,606	200,476	106,882
Specific assistance to individuals	1,696,456	111,660	1,509,093	3,317,209	7,665,367
Dues & subscriptions	545,391	14,327	14,324	574,042	298,807
Licensing fees & taxes	11,214	3,187	498	14,899	9,282
Bad debt	401,627	42,295	83,160	527,082	-
Miscellaneous	154,358	(7,855)	59,846	206,349	297,593
Total expenses before depreciation & amortization	36,452,979	3,589,127	7,689,062	47,731,168	45,995,338
Depreciation & amortization	40,683	9,210	3,020	52,913	76,232
TOTAL EXPENSES	\$ 36,493,662	\$ 3,598,337	\$ 7,692,082	\$ 47,784,081	\$ 46,071,570

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Functional Expenses
For the Year ended June 30, 2025
with summarized financial information for the year ended June 30, 2024

	TOTAL PROGRAM SERVICES	MANAGEMENT & SUPPORT SERVICES			June 30, 2025 PROGRAM & SUPPORT SERVICES TOTALS	Comparative Summary Totals for the Year ended June 30, 2024
		Management & General	Fund Development	Total Mgmt. & Sup. Svcs		
Salaries	\$ 27,592,184	\$ 2,937,630	\$ 246,472	\$ 3,184,102	\$ 30,776,286	\$ 26,479,635
Payroll taxes & employee benefits	7,809,227	913,800	80,185	993,985	8,803,212	7,657,550
Total salaries & related expenses	35,401,411	3,851,430	326,657	4,178,087	39,579,498	34,137,185
Professional fees	3,015,473	677,640	2,324	679,964	3,695,437	3,921,377
Supplies	758,350	65,383	7,662	73,045	831,395	757,083
Telephone	272,705	21,978	1,965	23,943	296,648	222,545
Postage & shipping	5,920	3,502	3,427	6,929	12,849	14,966
Occupancy	1,869,409	183,076	13,212	196,288	2,065,697	2,011,961
Insurance	251,499	23,956	2,251	26,207	277,706	288,507
Utilities	372,793	20,673	1,563	22,236	395,029	342,129
Interest	33,310	12,462	-	12,462	45,772	64,119
Equipment maintenance & rental	304,493	8,754	597	9,351	313,844	329,539
Printing & publications	26,843	14,214	9,295	23,509	50,352	50,584
Travel	578,905	35,260	320	35,580	614,485	582,217
Conferences, conventions & meetings	200,476	14,365	926	15,291	215,767	138,255
Specific assistance to individuals	3,317,209	-	-	-	3,317,209	7,665,416
Dues & subscriptions	574,042	18,816	5,112	23,928	597,970	322,409
Licensing fees & taxes	14,899	298	28	326	15,225	9,687
Bad debt	527,082	-	-	-	527,082	-
Miscellaneous	206,349	75,256	1,084	76,340	282,689	321,934
Total expenses before depreciation & amortization	47,731,168	5,027,063	376,423	5,403,486	53,134,654	51,179,913
Depreciation & amortization	52,913	2,292	216	2,508	55,421	81,330
TOTAL EXPENSES	\$ 47,784,081	\$ 5,029,355	\$ 376,639	\$ 5,405,994	\$ 53,190,075	\$ 51,261,243

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statements of Cash Flows
For the Years ended June 30, 2025 and June 30, 2024

	2025	2024
Cash flows from operating activities:		
Increase (decrease) in net assets from operations	\$ 5,945,075	\$ 2,002,507
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	55,421	81,330
Investment management fees deducted	5,820	4,235
Reinvestment of earnings from investments	(10,751)	(21,818)
Unrealized (gain) loss on investments	(14,408)	(10,521)
Changes in assets & liabilities:		
Decrease (increase) in accounts and grants receivable	159,108	(2,820,068)
Decrease (increase) in deposits and prepaid expenses	(90,338)	(319,357)
Increase (decrease) in payables and accrued liabilities	(1,589,139)	1,179,488
Net cash (used) provided by operating activities	<u>4,460,788</u>	<u>95,796</u>
Cash flows from investing activities		
Acquisition of fixed assets	<u>(18,680)</u>	<u>(30,156)</u>
Net cash provided (used) by investing activities	(18,680)	(30,156)
Cash flows from financing activities		
Proceeds from (repayment of) line of credit	(950,000)	(100,000)
Repayments of long-term debt	<u>(33,986)</u>	<u>(43,449)</u>
Net cash provided (used) by financing activities	(983,986)	(143,449)
Net (decrease) increase in cash	<u>3,458,122</u>	<u>(77,809)</u>
Cash, beginning of year	140,367	218,176
Cash, end of year	<u>\$ 3,598,489</u>	<u>\$ 140,367</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:		
Interest	\$ 40,558	\$ 56,257
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, 2025**

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 five 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

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:

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

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

- Prevention & intervention services for at-risk youth
- 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 shelter for women and their children
- Counseling and peer support services
- Legal advocacy and court accompaniment
- Supportive housing programs
- School-based and community-based prevention services

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, and June 30, 2024, 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, 2025 and June 30, 2024 are several certificates of deposit restricted as to usage totaling \$39,822 and \$38,356, 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 allowances of \$605,875 and \$78,793 for private program service fees and contract billings as of June 30, 2025 and June 30, 2024, respectively. Bad debt expenses charged to operations during the years ended June 30, 2025 totaled \$527,082.

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, 2022 through June 30, 2025 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, 2025**

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, 2025 and June 30, 2024, the cost and related accumulated depreciation for such assets is as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 475,395	\$ 475,395
Buildings	1,304,057	1,304,057
Vehicles	205,779	195,279
Lease improvements	374,896	366,716
Furniture, equipment & fees	<u>13,822</u>	<u>13,822</u>
	2,373,949	2,355,269
less:		
Accumulated depreciation	<u>1,389,894</u>	<u>1,334,473</u>
	<u>\$ 984,055</u>	<u>\$ 1,020,796</u>

Depreciation and amortization expense charged for the years ended June 30, 2025 and June 30, 2024 was \$55,421 and \$81,330, respectively. In addition, for the years ended June 30, 2025 and June 30, 2024, \$247,839 and \$193,582, 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, 2025 and June 30, 2024.

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, 2024, 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 services, materials and equipment are reflected as contributions in the accompanying statements at their estimated fair market value at date of notification.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 recognizes revenue from its revenue generating activities under FASB ASC Topic 606, Revenue from Contracts with customers via the following steps:

- Identification of the grant or contract with a grantor or customer
- Identification of the performance obligations in the grant or contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the grant or contract
- Recognition of revenue when, or as, the Agency satisfies a performance obligation

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, 2025 and 2024. The investments are not insured.

	<u>2025</u>	<u>2024</u>
Gilroy Foundation pooled investment fund	<u>\$ 327,114</u>	<u>\$ 297,108</u>

The fair market value of these investments reflects an unrealized gain (loss) of \$14,408 and \$10,521 as of June 30, 2025 and 2024. Investment returns are shown net of management fees. Components of investment income are as follows for the year ended:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$15,887	\$ 7,177
Realized gains and losses	10,751	21,818
Unrealized gains and losses	14,408	10,521
Management fees charged	<u>(5,820)</u>	<u>(4,235)</u>
	<u>\$35,226</u>	<u>\$ 35,281</u>

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Behavioral Health	\$ 9,395,713	\$ 9,180,189
CAL OES/Human Trafficking	508,397	572,342
Block Grants	127,402	210,465
Social Services	1,114,576	530,870
Other Grants	<u>98,192</u>	<u>699,012</u>
Grants receivable	11,244,280	11,192,878
Program and other fees receivable	593,611	207,039
Less: allowance for doubtful accounts	<u>(605,875)</u>	<u>(78,793)</u>
Total	<u>\$11,232,016</u>	<u>\$11,321,114</u>

The \$10,000 in pledges receivable as of June 30, 2025 are scheduled to be collected in the next fiscal year.

5. LONG-TERM DEBT:

Long-term debt at June 30, 2025, 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	\$ 20,700	\$ 49,289
Pinnacle Bank, secured by real property, monthly payments of \$2,665	8.75%	7/21/2028	6,000	287,485
State of California, secured by real property, monthly payments deferred	3% deferred	12/19/2026	0	117,081
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	<u>0</u>	<u>119,812</u>
			<u>\$ 60,150</u>	<u>\$ 607,117</u>

The State of California loan includes underlying indebtedness to the Department of Housing and Urban Development and contains self-forgiving provisions, contingent upon use restrictions, that commenced in the year 2001, as well as provisions for the waiver of accrued interest payable. As of June 30, 2025, the cumulative accrued interest payable under these loans is \$149,224, including a current provision for the County of Santa Clara loan that matured May 2016. In addition, the Agency has in place a line of credit of \$1,500,000 at an interest rate of 9.00% maturing December 2026. Terms of this facility require the Agency to maintain certain financial measurements and conditions for usage. As of June 30, 2025, 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, 2025 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, 2026	\$ 60,150
Year ending June 30, 2027	144,881
Year ending June 30, 2028	13,989
Year ending June 30, 2029	268,285
Thereafter	<u>119,812</u>
	<u>\$ 607,117</u>

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

6. FACILITY LEASE COMMITMENTS:

The Agency has adopted FASB ASU 2016-02, *Leases*. This ASU requires lessees to recognize assets and liabilities on the statement of financial position for leases with lease terms greater than twelve months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. The Agency elected the practical expedient to account for both non-lease and lease payments in its contracts as a single lease component. For leases that commenced before implementation, the Agency elected the permitted practical expedient to not reassess the following: (i) whether any expired or existing contracts contain leases, and (ii) initial direct costs for any existing leases. Right of use assets and liabilities are recognized at the commencement date, based on the net present value of the fixed lease payments over the lease term, using the Agency's incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments.

The lease for the Agency's administration office expires in December 2027, and requires monthly rental payments of \$48,158. In addition, the Agency is committed under several other facility leases expiring through May 2029. Monthly rent commitments under these additional leases are \$65,296. Rent expense paid totaled \$1,672,851 and \$1,643,727 for the years ended June 30, 2025 and June 30, 2024, respectively. Existing future annual facility lease commitments are:

Year ending June 30, 2026	\$968,234
Year ending June 30, 2027	796,532
Year ending June 30, 2028	513,585
Year ending June 30, 2029	184,662

7. EQUIPMENT LEASE COMMITMENTS:

The Agency is obligated under several non-cancelable operating leases expiring December 2026 for the rental of certain office equipment. The minimum annual rental payments under these equipment leases are:

Year ending June 30, 2026	\$31,004
Year ending June 30, 2027	21,724

Total payments made under all equipment lease agreements were \$49,564 and \$33,168 for the years ended June 30, 2025 and June 30, 2024, respectively.

8. RETIREMENT PLAN:

The Agency has adopted a policy whereby it will match an employee's contributions to an individual 403(b) tax deferred annuity account, up to 5% of the employee's gross salary. For the years ended June 30, 2025 and June 30, 2024, the Agency's contributions totaled \$649,437 and \$562,899, respectively.

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

As of June 30, 2024 the Agency had reserved \$3,441,399 as deferred revenues pending cost report reconciliation with Santa Clara County. During the year ended June 30, 2025, the County completed its cost report reconciliation process which resulted in a decrease of \$2,630,993 of amounts owed for prior years. This has been presented as a change in net assets, other in the statement of activities.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

10. CONCENTRATIONS and CONTINGENCIES:

At times during the fiscal year, the Agency maintained cash balances in excess of insured levels at one financial institution. In addition, approximately 85% of the Agency's operating revenue base is derived from contracts and grants with various governmental departments of the County of Santa Clara. Approximately 80% of the Agency's employees are covered under membership in a collective bargaining agreement scheduled for renewal November 2025. 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.

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 2026, which it could draw upon. The Agency's financial assets that are available within one year of June 30, 2025 and June 30, 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 3,598,489	\$ 102,011
Accounts receivable, net	593,611	207,039
Grants receivable, net	10,638,405	11,114,085
Pledges receivable	10,000	80,000
Investments	327,114	297,108
Less: amounts restricted for time or purpose	<u>(521,972)</u>	<u>(80,000)</u>
	<u>\$ 14,645,647</u>	<u>\$ 11,720,243</u>
Liquidity Resources		
Line of credit	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

12. RESTRICTED NET ASSETS:

As of June 30, 2025 and 2024, the Agency's donor restricted net assets consist of the following:

	<u>2025</u>	<u>2024</u>
Time restriction-		
Foundations and pledges	\$ 10,000	\$ 80,000
Use restrictions-		
Program-Solutions to Violence	193,970	-
Program-Human Trafficking Coalition	<u>318,002</u>	<u>-</u>
	<u>\$521,972</u>	<u>\$ 80,000</u>

In addition, the Agency's board of directors has designated that \$327,114 be earmarked for future opportunities. Board permission is required to access these funds.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Time restriction- Foundations	\$ 65,000	\$ 80,000
Use restrictions- Program-Solutions to Violence	-	-
Program-Human Trafficking Coalition	<u>15,000</u>	<u>-</u>
	<u>\$ 80,000</u>	<u>\$ 80,000</u>

15. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through October 14, 2025, the date on which the financial statements were available to be issued.

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Receipts/ Revenue Recognized	Disbursements/ Expenditures Incurred	Payments to Subrecipients
Major Programs					
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-23261043	16.575	244,187	71,561	71,561	
Department of Justice, passed through County of Santa Clara, domestic violence support, Grant XC-23060430	16.575	90,000	45,163	45,163	
Department of Justice, passed through State of California OES, unserved/underserved victim advocacy, Grant UV-24004101	16.575	108,839	7,704	7,704	\$ 1,215
Department of Justice, passed through State of California OES, unserved/underserved victim advocacy, Grant UV-23021043	16.575	196,906	89,249	89,249	5,424
Department of Justice, passed through State of California OES, sexual assault services, La Isla, Grant DV-23151043	16.575	199,470	130,671	130,671	4,508
Department of Justice, passed through State of California OES, sexual assault services, La Isla, Grant DV-24004101	16.575	132,449	6,182	6,182	6,313
Department of Justice, passed through State of California OES, DV housing first, Grant XD-23021043	16.575	350,000	112,556	112,556	
Department of Justice, passed through State of California OES, DV housing first, Grant XD-24004101	16.575	195,950	140	140	
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-24004102	16.575	150,086	77,953	77,953	
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-23371043	16.575	286,026	83,587	83,587	
Department of Justice, passed through State of California OES, sexual assault services, Grant RC-24004101	16.575	175,802	73,381	73,381	
subtotal	16.575	2,129,715	698,147	698,147	17,460
Total Major Programs		2,129,715	698,147	698,147	17,460
Non Major Programs					
Department of Justice, Office for Victims of Crime, Preventing Trafficking, Grant 15POVC-22-GG-03753-GIRL	16.035	500,000	167,063	167,063	
Department of Housing and Urban Development, YHDP, Grant CA2088Y9T002301	14.267	1,181,201	242,596	242,596	
Department of Housing and Urban Development, COC Casitas, Grant CA2112-D9T002200	14.267	879,172	362,304	362,304	
Department of Housing & Urban Development, COC Casitas, Grant CA2112-D9T002301	14.267	893,512	127,415	127,415	
subtotal	14.267	2,953,885	732,315	732,315	
Department of Housing and Urban Development, YHDP, Grant CA2088Y9T002000	14.276	2,319,731	364,602	364,602	
Department of Health and Human Services, passed through California Department of Public Health, injury prevention and control, Grant 23-10930	93.136	170,000	137,627	137,627	
Department of Justice, passed through State of California OES, sexual assault services, La Isla, Grant DV-24004101	93.671	100,398	77,704	77,704	
Department of Justice, human trafficking, Grant 15POVC-21-GK-04057-HT	16.320	749,987	96,195	96,195	44,136
Department of Housing & Urban Development, passed through County of Santa Clara, community development block grant, Grant PS-25-04	14.218	19,408	19,408	19,408	
Total Non Major Programs		6,813,409	1,594,914	1,594,914	44,136
Total federal financial assistance (continued to next page)		\$8,943,124	\$2,293,061	\$2,293,061	\$61,596

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Schedule of State and Local Awards
For the Year ended June 30, 2025

	Program or Award Amount	Receipts/ Revenue Recognized
Total federal financial assistance (from previous page)	\$8,943,124	\$2,293,061
<u>State and local assistance</u>		
City of San Jose, passed through Santa Clara DA office, AEAP TRC, Grant 4300021348	588,745	320,051
City of San Jose, SJPd, South BAY Coalition, Grant 1923442	51,200	51,200
County of San Benito, CSEC, Grant SBC-CSEC	134,413	124,842
County of San Benito, PEI, Grant 810	1,173,218	469,290
County of San Benito, ILP, Grant SBC-ILP	19,325	17,217
County of Santa Clara, CSEC, Grant 4300020139	783,462	688,690
County of Santa Clara, MHSA, Children, Youth & Families, Grant 4300023324	11,461,596	11,461,596
County of Santa Clara, MHSA, Adult & Older Adult, Grant 4300023323	16,951,228	16,951,228
County of Santa Clara, MHSA, Forensic Diversion & Integration, Grant 4300023384	12,708,745	12,035,097
County of Santa Clara, MHSA, Transitional Housing, Grant 4300023383	2,180,476	1,779,085
County of Santa Clara, MHSA, Housing & Residential, Grant 4300023326	4,522,185	3,034,557
County of Santa Clara, passed through Sacred Heart Community Services, Destination Home	307,423	307,423
County of Santa Clara, rape crisis center services, Grant 4300018295	535,600	469,637
County of Santa Clara, First 5 Stronger Systems, Grant 2025-313-001	161,793	109,943
County of Santa Clara, National Childrens' Alliance, Grant 4400008231	23,750	5,939
County of Santa Clara, GBV Advocacy, Grant 4300023447	1,650,000	1,261,881
County of Santa Clara, GBV Emergency Services, Grant 4300023447	450,000	352,229
County of Santa Clara, GBV Therapeutic Services, Grant 4300023447	216,656	145,619
County of Santa Clara, GBV Prevention, Grant 4300025447	216,240	211,268
County of Santa Clara, Thriving Pilot, Grant 4300022177	650,000	379,606
County of Santa Clara, OSH, Page Street Apartments, Grant 430021934	297,000	212,334
County of Santa Clara, OSH, Agrihood Senior Apartments, Grant 430023658	297,000	207,644
County of Santa Clara, OSH, Agrihood Senior Apartments, Grant 430022152	297,000	207,218
County of Santa Clara, OSH, Vitalia Apartments, Grant 4300022778	374,000	273,277
County of Santa Clara, OSH, Pavilion Inn, Grant 4300023035	231,000	146,521
County of Santa Clara, OSH, Heartwood Apartments, Grant 4300023064	297,000	155,860
County of Santa Clara, DA general fund, Grant 4300008231	43,800	43,800
County of Santa Clara, marriage licensing, Grant TF-0231	58,220	58,220
County of Santa Clara, Child Mandated Reporter, Grant 4400008877	71,000	31,368
County of Santa Clara, probation, Grant TF-0378	4,464	4,254
State of California, Mentored Internship, Gilroy, Grant 21-10156-MIPCSB1	128,271	128,271
State of California, Mentored Internship, San Jose, Grant 21-10156-MIPCSB3	103,988	103,988
State of California, Mentored Internship, Morgan Hill, Grant 21-10156-MIPCSB2	91,377	91,377
State of California, Mentored Internship, Madrone, Grant 21-20574-MIPCSB4	168,490	168,490
State of California, Mentored Internship, Hollister, Grant 21-20574-MIPCSB5	170,354	170,354
State of California, Behavioral Workplace Development, Grant 22-20574	239,503	105,030
State of California, Behavioral Health Care Access & Information, Grant 23-40082	2,133,750	498,026
State of California, ECM Full Circle	267,762	267,762
State of California, OES, shelter, Grant DV-24004101	304,740	249,833
State of California, OES, human trafficking assistance, Grant HV-23031043	899,999	681,628
State of California, OES, human trafficking assistance, Grant HV-24004101	566,666	117,311
State of California, OES, unserved/underserved advocacy, Grant UV-24004101	88,017	77,758
State of California, OES, family justice center, Grant FJ-23021043	311,470	166,718
State of California, OES, housing first, Grant XD-24004101	154,050	70,778
State of California, OES, prevention and education, Grant SD-21011043	231,154	30,447
State of California, OES, sexual assault services, Grant RC-24004102	110,250	106,096
State of California, OES, sexual assault services, Grant RC-24004101	129,140	126,583
State of California, passed through SCVHP, Medicare direct	95,742	95,742
Total state & local government assistance	62,951,262	54,773,086
GRAND TOTALS	\$ 71,894,386	\$ 57,066,147

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, 2025, 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 October 14, 2025.

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.



October 14, 2025

**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**Opinion on Each Major Federal Program**

We have audited Community Solutions for Children, Families and Individuals' compliance with the types of compliance requirements identified as subject to audit 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, 2025. 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. 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, 2025.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Community Solutions for Children, Families and Individuals and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Solutions for Children, Families and Individuals' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts and grant agreements applicable to Community Solutions for Children, Families and Individuals' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Solutions for Children, Families and Individuals' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Solutions for Children, Families and Individuals' compliance with the requirements of each major federal program as a whole. In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Solutions for Children, Families and Individuals' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community Solutions for Children, Families and Individuals' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Community Solutions for Children, Families and Individuals' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



October 14, 2025

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILIES AND INDIVIDUALS
SUPPLEMENTARY INFORMATION REQUIRED BY CALIFORNIA OFFICE OF EMERGENCY SERVICES
JUNE 30, 2025

PROJECT TITLE		RAPE CRISIS RECOVERY ACT PROGRAM (SANTA CLARA COUNTY)						
GRANT AWARD NUMBER		RC 23 37 1043						
GRANT PERIOD		OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024						
AUDIT PERIOD		JULY 1, 2024 THROUGH SEPTEMBER 30, 2024						
		EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 245,427	\$ 61,969	\$ -	\$ -	\$ -	\$ -	\$ 61,969	
OPERATING EXPENSES	77,717	21,618	-	-	-	-	21,618	
TOTALS	\$ 323,144	\$ 83,587	\$ -	\$ -	\$ -	\$ -	\$ 83,587	

PROJECT TITLE		RAPE CRISIS RECOVERY ACT PROGRAM (SANTA CLARA COUNTY)						
GRANT AWARD NUMBER		RC 204004101						
GRANT PERIOD		OCTOBER 1, 2024 THROUGH SEPTEMBER 30, 2025						
AUDIT PERIOD		OCTOBER 1, 2024 THROUGH JUNE 30, 2025						
		<u>EXPENDITURES BY REVENUE SOURCE</u>						
	BUDGET	FEDERAL VOCA	FEDERAL FVPA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 214,908	\$ 59,604	\$ -	\$ 87,455	\$ -	\$ -	\$ 147,059	
OPERATING EXPENSES	90,034	13,777	-	39,128	-	-	52,905	
TOTALS	\$ 304,942	\$ 73,381	\$ -	\$ 126,583	\$ -	\$ -	\$ 199,964	

PROJECT TITLE		LA ISLA PACIFICA DOMESTIC VIOLENCE SHELTER AND SERVICE						
GRANT AWARD NUMBER		DV 23 15 1043						
GRANT PERIOD		OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024						
AUDIT PERIOD		JULY 1, 2024 THROUGH SEPTEMBER 30, 2024						
		EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL VOCA	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 313,778	\$ 64,911	\$ -	\$ -	\$ -	\$ -	\$ 64,911	
OPERATING EXPENSES	223,809	65,760	-	-	-	-	65,760	
EQUIPMENT	-	-	-	-	-	-	-	
TOTALS	\$ 537,587	\$ 130,671	\$ -	\$ -	\$ -	\$ -	\$ 130,671	

PROJECT TITLE		LA ISLA PACIFICA DOMESTIC VIOLENCE SHELTER AND SERVICE						
GRANT AWARD NUMBER		DV 24004101						
GRANT PERIOD		OCTOBER 1, 2024 THROUGH SEPTEMBER 30, 2025						
AUDIT PERIOD		OCTOBER 1, 2024 THROUGH JUNE 30, 2025						
		EXPENDITURES BY REVENUE SOURCE						
	BUDGET	FEDERAL VOCA	FEDERAL FVPA	FEDERAL FVPS	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 331,761	\$ 229	\$ 1,827	\$ 58,067	\$ 156,347	\$ -	\$ -	\$ 216,470
OPERATING EXPENSES	205,829	5,953	1,179	16,631	93,486	-	-	117,249
EQUIPMENT	-	-	-	-	-	-	-	-
TOTALS	\$ 537,590	\$ 6,182	\$ 3,006	\$ 74,698	\$ 249,833	\$ -	\$ -	\$ 333,719

PROJECT TITLE		FAMILY JUSTICE CENTER PROGRAM						
GRANT AWARD NUMBER		FJ 23-02-1043						
GRANT PERIOD		APRIL 1, 2024 THROUGH MARCH 31,2026						
AUDIT PERIOD		JULY 1, 2024 THROUGH JUNE 30, 2025						
		<u>EXPENDITURES BY REVENUE SOURCE</u>						
	BUDGET	FEDERAL	FEDERAL	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES	
PERSONAL SERVICES	\$ 143,854	\$ -	\$ -	\$ 70,385	\$ -	\$ -	\$ 70,385	
OPERATING EXPENSES	167,616	-	-	96,333	-	-	96,333	
TOTALS	\$ 311,470	\$ -	\$ -	\$ 166,718	\$ -	\$ -	\$ 166,718	

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILIES AND INDIVIDUALS
SUPPLEMENTARY INFORMATION REQUIRED BY CALIFORNIA OFFICE OF EMERGENCY SERVICES
JUNE 30, 2025

PROJECT TITLE RAPE CRISIS RECOVERY ACT PROGRAM (SAN BENITO COUNTY)
GRANT AWARD NUMBER RC 23 26 1043
GRANT PERIOD OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024
AUDIT PERIOD JULY 1, 2024 THROUGH SEPTEMBER 30, 2024

			EXPENDITURES BY REVENUE SOURCE				
	BUDGET	FEDERAL VOCA	FEDERAL FVSA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 205,728	\$ 47,936		\$ -	\$ -	\$ -	\$ 47,936
OPERATING EXPENSES	73,531	23,625	-	-	-	-	23,625
TOTALS	\$ 279,259	\$ 71,561	\$ -	\$ -	\$ -	\$ -	\$ 71,561

PROJECT TITLE RAPE CRISIS RECOVERY ACT PROGRAM (SAN BENITO COUNTY)
GRANT AWARD NUMBER RC 24004102
GRANT PERIOD OCTOBER 1, 2024 THROUGH SEPTEMBER 30, 2025
AUDIT PERIOD OCTOBER 1, 2024 THROUGH JUNE 30, 2025

	BUDGET	FEDERAL VOCA	FEDERAL FVSA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 186,289	\$ 61,814	\$ -	\$ 76,190	\$ -	\$ -	\$ 138,004
OPERATING EXPENSES	74,047	16,139	-	29,906	-	-	46,045
TOTALS	\$ 260,336	\$ 77,953	\$ -	\$ 106,096	\$ -	\$ -	\$ 184,049

PROJECT TITLE DV HOUSING FIRST
GRANT AWARD NUMBER XD 23 02 1043
GRANT PERIOD JANUARY 1, 2024 THROUGH DECEMBER 31, 2024
AUDIT PERIOD JULY 1, 2024 THROUGH DECEMBER 31, 2024

	BUDGET	FEDERAL VOCA	FEDERAL FVSA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 141,385	\$ 48,040	\$ -	\$ -		\$ -	\$ 48,040
OPERATING EXPENSES	208,615	64,516	-	-	-	-	64,516
TOTALS	\$ 350,000	\$ 112,556	\$ -	\$ -	\$ -	\$ -	\$ 112,556

PROJECT TITLE DV HOUSING FIRST
GRANT AWARD NUMBER XD 24004101
GRANT PERIOD JANUARY 1, 2025 THROUGH DECEMBER 31, 2025
AUDIT PERIOD JANUARY 1, 2025 THROUGH JUNE 30, 2025

	BUDGET	FEDERAL VOCA	FEDERAL FVSA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 141,348	\$ 140	\$ -	\$ 24,141		\$ -	\$ 24,281
OPERATING EXPENSES	208,652	-	-	46,637	-	-	46,637
TOTALS	\$ 350,000	\$ 140	\$ -	\$ 70,778	\$ -	\$ -	\$ 70,918

PROJECT TITLE UNSERVED/UNDERSERVED VICTIM ADVOCACY
GRANT AWARD NUMBER UV 23 02 1043
GRANT PERIOD JANUARY 1, 2024 THROUGH DECEMBER 31, 2024
AUDIT PERIOD JULY 1, 2024 THROUGH DECEMBER 31, 2024

	BUDGET	FEDERAL VOCA	FEDERAL FVSA	STATE	CASH MATCH	IN-KIND MATCH	TOTAL EXPENDITURES
PERSONAL SERVICES	\$ 127,411	\$ 61,664	\$ -	\$ -	\$ -	\$ -	\$ 61,664
OPERATING EXPENSES	69,495	27,585	-	-	-	-	27,585
TOTALS	\$ 196,906	\$ 89,249	\$ -	\$ -	\$ -	\$ -	\$ 89,249

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILIES AND INDIVIDUALS
SUPPLEMENTARY INFORMATION REQUIRED BY CALIFORNIA OFFICE OF EMERGENCY SERVICES
JUNE 30, 2025

PROJECT TITLE	UNSERVED/UNDERSERVED VICTIM ADVOCACY AND OUTREACH PROGRAM
GRANT AWARD NUMBER	UV 24004101
GRANT PERIOD	JANUARY 1, 2025 THROUGH DECEMBER 31, 2025
AUDIT PERIOD	JANUARY 1, 2025 THROUGH JUNE 30, 2025

	BUDGET	FEDERAL VOCA	EXPENDITURES BY REVENUE SOURCE				IN-KIND MATCH	TOTAL EXPENDITURES
			FEDERAL	STATE	CASH MATCH			
PERSONAL SERVICES	\$ 128,460	\$ 3,571	\$ -	\$ 56,221	\$ -	\$ -	\$ -	\$ 59,792
OPERATING EXPENSES	68,446	4,133	-	21,537	-	-	-	25,670
TOTALS	\$ 196,906	\$ 7,704	\$ -	\$ 77,758	\$ -	\$ -	\$ -	\$ 85,462

PROJECT TITLE	HUMAN TRAFFICKING ASSISTANCE PROGRAM
GRANT AWARD NUMBER	HV 23 03 1043
GRANT PERIOD	APRIL 1, 2024 THROUGH MARCH 31, 2025
AUDIT PERIOD	JULY 1, 2024 THROUGH MARCH 31, 2025

	BUDGET	FEDERAL VOCA	EXPENDITURES BY REVENUE SOURCE				IN-KIND MATCH	TOTAL EXPENDITURES
			FEDERAL	STATE	CASH MATCH			
PERSONAL SERVICES	\$ 416,138	\$ -	\$ -	\$ 340,768	\$ -	\$ -	\$ -	\$ 340,768
OPERATING EXPENSES	483,861	-	-	340,860	-	-	-	340,860
EQUIPMENT	-	-	-	-	-	-	-	-
TOTALS	\$ 899,999	\$ -	\$ -	\$ 681,628	\$ -	\$ -	\$ -	\$ 681,628

PROJECT TITLE	HUMAN TRAFFICKING ASSISTANCE PROGRAM
GRANT AWARD NUMBER	HV 24004101
GRANT PERIOD	APRIL 1, 2025 THROUGH MARCH 31, 2026
AUDIT PERIOD	APRIL 1, 2025 THROUGH JUNE 30, 2025

	BUDGET	FEDERAL VOCA	EXPENDITURES BY REVENUE SOURCE				IN-KIND MATCH	TOTAL EXPENDITURES
			FEDERAL	STATE	CASH MATCH			
PERSONAL SERVICES	\$ 290,172	\$ -	\$ -	\$ 67,515	\$ -	\$ -	\$ -	\$ 67,515
OPERATING EXPENSES	276,494	-	-	49,796	-	-	-	49,796
EQUIPMENT	-	-	-	-	-	-	-	-
TOTALS	\$ 566,666	\$ -	\$ -	\$ 117,311	\$ -	\$ -	\$ -	\$ 117,311

PROJECT TITLE	SEXUAL & DOMESTIC VIOLENCE PREVENTION PROGRAM
GRANT AWARD NUMBER	SD 21 01 1043
GRANT PERIOD	MAY 1, 2022 THROUGH DECEMBER 31, 2024
AUDIT PERIOD	JULY 1, 2024 THROUGH DECEMBER 31, 2024

	BUDGET	FEDERAL VOCA	EXPENDITURES BY REVENUE SOURCE				IN-KIND MATCH	TOTAL EXPENDITURES
			FEDERAL	STATE	CASH MATCH			
PERSONAL SERVICES	\$ 184,859	\$ -	\$ -	\$ 23,725	\$ -	\$ -	\$ -	\$ 23,725
OPERATING EXPENSES	46,295	-	-	6,722	-	-	-	6,722
TOTALS	\$ 231,154	\$ -	\$ -	\$ 30,447	\$ -	\$ -	\$ -	\$ 30,447

PROJECT TITLE	DOMESTIC VIOLENCE SUPPORT (PASSED THROUGH COUNTY OF SANTA CLARA)
GRANT AWARD NUMBER	XC 23 06 0430
GRANT PERIOD	JANUARY 1, 2024 THROUGH MARCH 31, 2025
AUDIT PERIOD	JULY 1, 2024 THROUGH MARCH 31, 2025

	BUDGET	FEDERAL VOCA	EXPENDITURES BY REVENUE SOURCE				IN-KIND MATCH	TOTAL EXPENDITURES
			FEDERAL	STATE	CASH MATCH			
PERSONAL SERVICES	\$ 77,864	\$ 40,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,090
OPERATING EXPENSES	12,136	5,074	-	-	-	-	-	5,074
TOTALS	\$ 90,000	\$ 45,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,164

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILY and INDIVIDUALS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

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 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.