

# **FOLSOM CORDOVA COMMUNITY PARTNERSHIP**

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## **Independent Auditor's Report and Financial Statements**

**June 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

# NICHOLSON & OLSON

To the Board of Directors  
Folsom Cordova Community Partnership  
Rancho Cordova, California

CERTIFIED PUBLIC  
ACCOUNTANTS

729 Sunrise Avenue, Suite 303

Roseville, California 95661

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Folsom Cordova Community Partnership (a nonprofit organization), which comprises the statement of financial position as of June 30, 2021, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

(916) 786-7997

### **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 fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 misstatement 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 statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors  
Folsom Cordova Community Partnership

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Folsom Cordova Community Partnership as of June 30, 2021, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Supplementary and Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain 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 basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2023 on our consideration of Folsom Cordova Community Partnership's 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 solely 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 Folsom Cordova Community Partnership's 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 Folsom Cordova Community Partnership's internal control over financial reporting and compliance.

*Nicholson & Olson*

Certified Public Accountants  
Roseville, California  
April 6, 2023

# **FINANCIAL STATEMENTS**

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Statement of Financial Position**  
**June 30, 2021**

**Assets**

Current assets:

|                                 |    |              |
|---------------------------------|----|--------------|
| Cash and cash equivalents       | \$ | 445,800      |
| Grants and contracts receivable |    | 533,200      |
| Prepaid expenses                |    | 9,813        |
| Deposits                        |    | <u>3,000</u> |
| Total current assets            |    | 991,813      |

|                             |  |               |
|-----------------------------|--|---------------|
| Property and equipment, net |  | <u>39,743</u> |
|-----------------------------|--|---------------|

|              |  |                            |
|--------------|--|----------------------------|
| Total Assets |  | <u><u>\$ 1,031,556</u></u> |
|--------------|--|----------------------------|

**Liabilities and Net Assets**

Liabilities:

|                   |    |                |
|-------------------|----|----------------|
| Accounts payable  | \$ | 62,325         |
| Accrued expenses  |    | <u>120,182</u> |
| Total liabilities |    | <u>182,507</u> |

Net assets:

|                         |  |                |
|-------------------------|--|----------------|
| Without restrictions    |  | 781,744        |
| With donor restrictions |  | <u>67,305</u>  |
| Total net assets        |  | <u>849,049</u> |

|                                  |  |                            |
|----------------------------------|--|----------------------------|
| Total Liabilities and Net Assets |  | <u><u>\$ 1,031,556</u></u> |
|----------------------------------|--|----------------------------|

*The accompanying notes are an integral part of these financial statements*

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Statement of Activities and Change in Net Assets**  
**Year Ended June 30, 2021**

|   | <u>Without<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>      |
|---|---------------------------------|------------------------------------|-------------------|
| <b>Revenue and Support</b>              |                                 |                                    |                   |
| Contributions                           | \$ 34,674                       | \$ -                               | \$ 34,674         |
| Grants and contracts:                   |                                 |                                    |                   |
| Sacramento Employment & Training Agency | 822,870                         | -                                  | 822,870           |
| First Five Sacramento Commission        | 819,016                         | -                                  | 819,016           |
| Other government and private            | 1,124,409                       | 128,056                            | 1,252,465         |
| Donated goods and services              | 27,763                          | -                                  | 27,763            |
| Net assets released from restrictions   | 92,187                          | (92,187)                           | -                 |
| Total revenue and support               | <u>2,920,919</u>                | <u>35,869</u>                      | <u>2,956,788</u>  |
| <b>Other Revenues</b>                   |                                 |                                    |                   |
| Interest income                         | 864                             | -                                  | 864               |
| Other income                            | 15,765                          | -                                  | 15,765            |
| Forgiveness of PPP advances             | 306,707                         | -                                  | 306,707           |
| Total other revenues                    | <u>323,336</u>                  | <u>-</u>                           | <u>323,336</u>    |
| Total Revenue, Support, and Other       | <u>3,244,255</u>                | <u>35,869</u>                      | <u>3,280,124</u>  |
| <b>Expenses</b>                         |                                 |                                    |                   |
| Program services                        |                                 |                                    |                   |
| Birth & Beyond - First 5 Commission     | 819,016                         | -                                  | 819,016           |
| Birth & Beyond - DHHS                   | 223,109                         | -                                  | 223,109           |
| Employment services                     | 797,802                         | -                                  | 797,802           |
| Youth, Family, Community services       | 991,513                         | -                                  | 991,513           |
| Total program services                  | <u>2,831,440</u>                | <u>-</u>                           | <u>2,831,440</u>  |
| Support services                        |                                 |                                    |                   |
| Management and general                  | 196,701                         | -                                  | 196,701           |
| Fundraising                             | 10,631                          | -                                  | 10,631            |
| Total Expenses                          | <u>3,038,772</u>                | <u>-</u>                           | <u>3,038,772</u>  |
| Change in net assets                    | 205,483                         | 35,869                             | 241,352           |
| Net assets, beginning of year           | <u>576,261</u>                  | <u>31,436</u>                      | <u>607,697</u>    |
| Net assets, end of year                 | <u>\$ 781,744</u>               | <u>\$ 67,305</u>                   | <u>\$ 849,049</u> |

*The accompanying notes are an integral part of these financial statements*

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2021**

|                             | Birth & Beyond        |                   |                     | Other Program Services |  | Total<br>Program<br>Services | Support Services        |                  | Total<br>Expenses   |
|-----------------------------|-----------------------|-------------------|---------------------|------------------------|--|------------------------------|-------------------------|------------------|---------------------|
|                             | First 5<br>Commission | DHHS              | Subtotal            | Employment<br>Services | Youth, Family<br>& Community<br>Services |                              | Management<br>& General | Fundraising      |                     |
| Salaries and wages          | \$ 503,751            | \$ 147,494        | \$ 651,245          | \$ 537,252             | \$ 310,394                               | \$ 1,498,891                 | \$ 172,365              | \$ 7,313         | \$ 1,678,569        |
| Payroll taxes and benefits  | 122,234               | 35,940            | 158,174             | 132,540                | 81,472                                   | 372,186                      | 17,085                  | 1,980            | 391,251             |
| Total personnel costs       | <u>625,985</u>        | <u>183,434</u>    | <u>809,419</u>      | <u>669,792</u>         | <u>391,866</u>                           | <u>1,871,077</u>             | <u>189,450</u>          | <u>9,293</u>     | <u>2,069,820</u>    |
| AmeriCorps & consultants    | 25,042                | 8,870             | 33,912              | 37,005                 | 112,518                                  | 183,435                      | -                       | -                | 183,435             |
| Assistance to families      | 974                   | 119               | 1,093               | 17,775                 | 393,687                                  | 412,555                      | 10                      | -                | 412,565             |
| Accounting & auditing fees  | 7,038                 | 1,532             | 8,570               | 4,190                  | 2,719                                    | 15,479                       | 206                     | 65               | 15,750              |
| Conferences & training      | 6,145                 | 1,334             | 7,479               | 2,491                  | 271                                      | 10,241                       | 120                     | -                | 10,361              |
| Dues, licenses & fees       | -                     | -                 | -                   | 75                     | 198                                      | 273                          | 6,496                   | -                | 6,769               |
| Insurance                   | 8,003                 | 1,837             | 9,840               | 6,172                  | 3,003                                    | 19,015                       | (1,456)                 | 55               | 17,614              |
| Office                      | 2,468                 | 588               | 3,056               | 6,538                  | 1,500                                    | 11,094                       | 90                      | 21               | 11,205              |
| Postage and shipping        | 581                   | 70                | 651                 | 190                    | 162                                      | 1,003                        | 140                     | 4                | 1,147               |
| Printing and publications   | 1,399                 | 309               | 1,708               | 75                     | -  | 1,783                        | 243                     | 24               | 2,050               |
| Program outreach activities | 1,900                 | 724               | 2,624               | 7,764                  | 15,198                                   | 25,586                       | 4,000                   | 179              | 29,765              |
| Rent                        | 55,992                | 12,318            | 68,310              | 5,183                  | 7,120                                    | 80,613                       | 1,390                   | 836              | 82,839              |
| Supplies                    | 33,182                | 4,047             | 37,229              | 31,927                 | 58,785                                   | 127,941                      | 918                     | -                | 128,859             |
| Telephone                   | 12,058                | 1,373             | 13,431              | 5,889                  | 3,247                                    | 22,567                       | 609                     | 151              | 23,327              |
| Travel and transportation   | 605                   | 51                | 656                 | 2,579                  | 527                                      | 3,762                        | 17                      | -                | 3,779               |
| Depreciation                | -                     | -                 | -                   | -                      | -  | -                            | 9,639                   | -                | 9,639               |
| In-kind expenses            | -                     | -                 | -                   | -                      | -  | -                            | 27,763                  | -                | 27,763              |
| Miscellaneous               | 641                   | 3                 | 644                 | 157                    | 300                                      | 1,101                        | 981                     | 3                | 2,085               |
| Indirect costs              | <u>37,003</u>         | <u>6,500</u>      | <u>43,503</u>       | <u>-</u>               | <u>412</u>                               | <u>43,915</u>                | <u>(43,915)</u>         | <u>-</u>         | <u>-</u>            |
| Total expenditures          | <u>\$ 819,016</u>     | <u>\$ 223,109</u> | <u>\$ 1,042,125</u> | <u>\$ 797,802</u>      | <u>\$ 991,513</u>                        | <u>\$ 2,831,440</u>          | <u>\$ 196,701</u>       | <u>\$ 10,631</u> | <u>\$ 3,038,772</u> |

*The accompanying notes are an integral part of these financial statements*



**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Statement of Cash Flows**  
**Year Ended June 30, 2021**

**Cash Flows from Operating Activities**

|   |            |
|---|------------|
| Change in net assets  | \$ 241,352 |
| Adjustments to reconcile change in net assets<br>to net cash provided (used) by operating activities: |            |
| Depreciation, a noncash expense   | 9,639      |
| (Increase) decrease in:   |            |
| Grants and contracts receivable   | (191,079)  |
| Prepaid expenses  | (588)      |
| Increase (decrease) in:   |            |
| Accounts payable  | (23,131)   |
| Accrued expenses  | 16,188     |
| Net cash provided (used) by operating activities  | 52,381     |

**Cash Flows from Investing Activities**

|                                     |         |
|-------------------------------------|---------|
| Purchases of property and equipment | (6,847) |
|-------------------------------------|---------|

|                         |        |
|-------------------------|--------|
| <b>Increase in Cash</b> | 45,534 |
|-------------------------|--------|

|  |         |
|--|---------|
| <b>Beginning Cash and Cash Equivalents</b> | 400,266 |
|--|---------|

|   |            |
|---|------------|
| <b>Ending Cash and Cash Equivalents</b> | \$ 445,800 |
|---|------------|

*The accompanying notes are an integral part of these financial statements*

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the Organization as follows:

Note 1 - Summary of Significant Accounting Policies

Note 2 - Grants and Contracts Receivable

Note 3 - Property and Equipment

Note 4 - Net Assets With Donor Restrictions

Note 5 - Paycheck Protection Program Advances

Note 6 - Lease Commitments

Note 7 - Employee Benefit Plans

Note 8 - Contingencies

Note 9 - Liquidity Management

Note 10 - Concentrations of Revenue

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

***Note 1 - Summary of Significant Accounting Policies***

This summary of significant accounting policies of Folsom Cordova Community Partnership (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Description of Organization

Folsom Cordova Community Partnership is a nonprofit Organization founded in 1992 as the Folsom Cordova Schools Foundation, a community-based Organization with a mission to mobilize and integrate resources that enhance the education, health and well being of the children and families of the community. The Organization brings together community programs and partners to assess and address community needs, thereby, maximizing resources while reducing duplication of services with the end result being a unified, self-sufficient community which is in-tune with its needs and has the ability to resolve its challenges.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

***Net Assets Without Donor Restrictions:*** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the objectives of the Organization. The Board of Directors may designate assets without restrictions for specific operational purposes.

***Net Assets With Donor Restrictions:*** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In addition, related expenses are reported as without donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without restrictions. In addition, related expenses are reported as without donor restrictions.

Method of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the obligation is incurred, rather than when cash is collected or disbursed.

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

***Note 1 - Summary of Significant Accounting Policies (continued)***

Description of Programs

The Organization's primary mission is to enhance the education, health, and well-being of the children, youth, and adults in the community.

Employment Services provide employment resources and on the job training to individuals and families in Rancho Cordova, Folsom and surrounding areas of Sacramento County.

Youth Services build positive relationships for youth and provides a solid foundation to add support and opportunity to live their lives productively. The program merges youth-centered programming with long-term strategies to decrease youth alcohol and drug use, increase community and school safety and increase access to college and other post-secondary education.

Family Services provide a walk-in resource center that works in partnership with the community to build strong families, meet the needs of growing children and establish a "hub" for community driven activities and services. The center hosts parenting classes, workshops, support groups and family fun night, and other events.

Birth and Beyond is a family centered in-home lesson-based program. The weekly lessons focus on positive self-concept, child development, empathy, alternatives to corporal punishment, nurturing skills and the use of positive communication.

Community Support Services focuses on meeting the basic needs of the community while acting as the "gateway" to the Organization's other programs and services. The program provides one-to-one crisis assessment, community-based advocacy, resource and referrals and short-term solution focused case management. Services include emergency supplies of food and diapers, utility shut off prevention, eviction prevention, emergency shelter and transportation assistance.

Cash and Cash Equivalents

The Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization maintains a significant portion of its cash with one financial institution, which is insured by the Federal Deposit Corporation (FDIC) up to \$250,000. At June 30, 2021, bank balance exceeded FDIC limits by approximately \$250,000. Management believes the Organization is not exposed to any significant credit risk related to cash.

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

***Note 1 - Summary of Significant Accounting Policies (continued)***

Grants and Contracts Receivables

Grants and contracts receivable consist of noninterest-bearing amounts and are based on agreements with various agencies and organizations. These amounts represent expenditures for which reimbursement has been requested but not yet received. Management believes all grants and contract receivables to be fully collectible; therefore, no allowance for doubtful accounts is considered necessary.

Property and Equipment

Property and equipment are recorded at cost or at their estimated fair market value on the date of purchase or contribution. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets which range from three to five years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed as incurred.

Compensated Absences

Employees for the Organization are entitled to paid annual leave depending on job classification and length of service, which is payable upon termination of the employee. Annual leave accruals are recorded in the financial statements as accrued expenses totaling \$53,000 at June 30, 2021.

Revenue Recognition

The Organization has adopted Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)*. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statement were required. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The Organization recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized results from satisfying distinct performance obligations. These obligations are satisfied over time and the related revenue is recognized as services are rendered.

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

***Note 1 - Summary of Significant Accounting Policies (continued)***

Revenue Recognition, continued

The majority of the Organization's revenue is derived from cost-reimbursable governmental contracts and grants, which are considered nonreciprocal transactions restricted by the awarding agency for certain purposes. Amounts received are recognized as revenue when the qualified expenditures have been incurred and conditions under the grant agreement are met. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No amounts have been received in advance at June 30, 2021.

The Organization receives support from individuals, foundations, corporations, and other nonprofit organizations in support of its mission. Contribution revenue is recognized at the earlier of the receipt of cash or an unconditional promise to give. Promises to give that have certain conditions such as meeting specific performance-related barriers or limiting the Organization's discretion on use of the funds are recognized when the conditions are substantially met.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place and recognizes the contribution element immediately, unless there is a right of return if the special event does not take place.

Donated Goods and Services

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the year ended June 30, 2021, \$27,763 has been included in the statement of activities as in-kind revenues and in the statement of functional expenses as in-kind expenses.

Numerous volunteers have made contributions of their time to the Organization to deliver programs and raise operating funds. The value of this contributed time is not reflected in these financial statements as they do not meet the criteria for recognition under Generally Accepted Accounting Principles.

Income Tax Status

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code and is considered a publicly supported organization. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

***Note 1 - Summary of Significant Accounting Policies (concluded)***

Income Tax Status, continued

There are no uncertain tax positions or other provisions for income taxes that should be recognized in these financial statements. Generally, the Organization's tax returns remain open for three years for federal income tax examination and four years for state income tax examinations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying disclosures. Actual results could differ from those estimates.

Fair Value Measurements

The Organization uses a framework for defining and measuring fair value in accordance with generally accepted accounting principles, which requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level.

Level 1 uses quoted prices and active markets for identical assets

Level 2 uses quoted prices in active or inactive markets for the same or similar assets

Level 3 uses the best information available when there is little or no market data

The Organization reports assets using level 1 inputs.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, payroll taxes, professional services, and insurance, which are allocated on the basis of estimates of time and effort. In addition, occupancy costs are allocated on a square footage basis.

Subsequent Events

Management of the Organization has evaluated subsequent events through April 6, 2023, the date the financial statements were available to be issued and has determined that no events have occurred that require additional disclosure.

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 2 - Grants and Contracts Receivable**

At June 30, 2021, the following amounts were receivable from the following funding sources:

|  |                   |
|--|-------------------|
| California Department of Social Services                   | \$ 14,134         |
| City of Rancho Cordova                                     | 48,565            |
| County of Sacramento Department of Health & Human Services | 25,940            |
| County of Sacramento Employment Training Agency            | 138,907           |
| First Five County of Sacramento Commission                 | 134,515           |
| Sacramento Housing and Redevelopment Agency                | 6,267             |
| Sierra Health Foundation                                   | 164,022           |
| Others   | <u>850</u>        |
| Total grants and contracts receivable                      | <u>\$ 533,200</u> |

**Note 3 - Property and Equipment**

Property and Equipment at June 30, 2021 consists of the following:

|                               |                  |
|-------------------------------|------------------|
| Vehicles                      | \$ 31,781        |
| Office equipment & furniture  | 74,120           |
| Tenant improvements           | <u>78,921</u>    |
|                               | 184,822          |
| Less accumulated depreciation | <u>(145,079)</u> |
| Net property and equipment    | <u>\$ 39,743</u> |

Depreciation expense for the year ended June 30, 2021 amounted to \$9,639.

**Note 4 - Net Assets With Donor Restrictions**

At June 30, 2021, net assets with donor restrictions were available for the following purposes:

|  |                  |
|--|------------------|
| Community services                       | \$ 6,326         |
| Employment services                      | 35,030           |
| Youth services                           | <u>25,949</u>    |
| Total Net Assets with Donor Restrictions | <u>\$ 67,305</u> |



**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 5 - Paycheck Protection Program Advances**

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) was enacted to help protect businesses and employees during the COVID-19 pandemic. Included in the CARES Act is the Paycheck Protection Program (PPP), which enabled the Small Business Administration (SBA) to guarantee low-interest rate loans to certain entities.

In February 2021, the Organization received \$306,707 from the SBA pursuant to the PPP provisions which was subsequently forgiven in full on July 2, 2021. The forgiveness is reported as other income in the statement of activities for the year ended June 30, 2021.

**Note 6 - Lease Commitments**

The Organization leases office facilities and office equipment under long-term operating leases through July 2023 and June 2025. Total rent expense relating to office facilities and office equipment amounted to \$75,297 and \$4,800 respectively for the year ending June 30, 2021. Future minimum lease payments under these long-term operating leases are as follows:

| Year Ending June 30                 |    |         |
|-------------------------------------|----|---------|
| 2022                                | \$ | 82,359  |
| 2023                                |    | 84,682  |
| 2024                                |    | 11,473  |
| 2025                                |    | 4,800   |
| Total future minimum lease payments | \$ | 183,314 |

**Note 7 - Employee Benefit Plans**

Salary Deferral

The Organization provides an Internal Revenue Code section 401(k) salary deferral plan for the benefit of all employees, which allows them to defer a portion of their annual compensation. The Board of Directors may elect to make contributions to the plan on an annual basis. No contribution was authorized for the year ended June 30, 2021.

Flexible Benefit Plan

The Organization maintains a flexible spending plan (cafeteria plan) for qualifying employees, which allows each employee to choose between receiving compensation or funding one or more tax-free benefits. At June 30, 2021, the Organization provides between \$500 and \$900 per month to each employee under this plan.

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 8 - Contingencies**

The Organization's contracts are subject to inspection and compliance audits by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The Organization has not experienced any disallowances of program costs from these governmental audits. Management cannot reasonably estimate any ultimate potential liability and believes it is not exposed to any significant risk, which may result from these governmental audits. Accordingly, the Organization has recorded no provision for the possible disallowance of program costs on its financial statements.

**Note 9 - Liquidity Management**

The following reflects the Organization's financial assets as of June 30, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

|   |                   |
|---|-------------------|
| Cash and cash equivalents   | \$ 445,800        |
| Grants and contracts receivable   | <u>533,200</u>    |
| Financial assets available  | 979,000           |
| Less: amounts unavailable for general expenditures within one year,<br>due to contractual or donor-imposed restrictions | <u>(67,305)</u>   |
| Financial assets available to meet cash needs for general<br>expenditures within one year                               | <u>\$ 911,695</u> |

The Organization's programs and overhead are supported primarily with cost-reimbursement government and private grants and cash needs are expected to be met on a monthly basis. There are no internal limitations or board designations on available resources. The Organization's goal is to maintain financial assets at a level equal to 90-180 days of operating expenses. As part of the liquidity management plan, cash in excess of daily requirements is maintained in money market funds. The Organization continues to manage its liquidity by developing annual operating budgets that provide sufficient funds to support operating expenditures, liabilities, and other obligations.

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

***Note 10 - Concentrations of Revenue***

The Organization operates certain programs, which are dependent on continued funding from government agencies. If a significant reduction from these sources occurred, the organization's ability to maintain related programs would be significantly impacted. For the year ended June 30, 2021, the Organization received approximately 79% of its revenues and support from various government agencies as follows:

|                                       |            |
|---------------------------------------|------------|
| First 5 Commission                    | 28%        |
| Sacramento Employment Training Agency | 28%        |
| Other agencies                        | <u>23%</u> |
|                                       | <u>79%</u> |

## ***OTHER REPORTS***

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**First 5 Commission Expenditures**  
**Year Ended June 30, 2021**

|                             | First 5<br>Commission | DHA<br>CalWorks | Total First 5<br>Commission<br>Expenditures |
|-----------------------------|-----------------------|-----------------|---|
| <b>Revenue and Support</b>  |                       |                 |   |
| Grants and contracts        | \$ 497,993            | \$ 321,023      | \$ 819,016                                  |
| <b>Expenses</b>             |                       |                 |   |
| Salaries and wages          | 300,354               | 203,397         | 503,751                                     |
| Payroll taxes and benefits  | 71,864                | 50,370          | 122,234                                     |
| AmeriCorps & consultants    | 13,242                | 11,800          | 25,042                                      |
| Assistance to families      | 550                   | 424             | 974   |
| Accounting & audit fees     | 4,833                 | 2,205           | 7,038                                       |
| Conferences & training      | 2,313                 | 3,832           | 6,145                                       |
| Insurance                   | 5,803                 | 2,200           | 8,003                                       |
| Office                      | 1,783                 | 685             | 2,468                                       |
| Postage and shipping        | 511                   | 70              | 581   |
| Printing and publications   | 1,076                 | 323             | 1,399                                       |
| Program outreach activities | 1,210                 | 690             | 1,900                                       |
| Rent                        | 43,111                | 12,881          | 55,992                                      |
| Supplies                    | 20,670                | 12,512          | 33,182                                      |
| Telephone                   | 10,215                | 1,843           | 12,058                                      |
| Travel and transportation   | 499                   | 106             | 605   |
| Miscellaneous               | 610                   | 31              | 641   |
| Indirect costs              | 19,349                | 17,654          | 37,003                                      |
| Subtotal                    | 497,993               | 321,023         | 819,016                                     |
| Capitalized purchases       | -                     | -               | -   |
| Total expenditures          | 497,993               | 321,023         | 819,016                                     |
| Change in net assets        | \$ -                  | \$ -            | \$ -  |

*The accompanying notes are an integral part of these 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  
Folsom Cordova Community Partnership  
Rancho Cordova, California

We have audited, 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, the financial statements of Folsom Cordova Community Partnership (a non-profit organization), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated April 6, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Folsom Cordova Community Partnership's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Folsom Cordova Community Partnership's 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, misstatement on a timely basis. *A material weakness* is a deficiency, or a 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors  
Folsom Cordova Community Partnership  
Page Two

**Compliance and Other Matters**

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

**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 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.

*Nicholson & Olson*

Certified Public Accountants  
Roseville, California  
April 6, 2023

## **Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
Folsom Cordova Community Partnership  
Rancho Cordova, California

### **Report on Compliance for Each Major Federal Program**

We have audited Folsom Cordova Community Partnership's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Folsom Cordova Community Partnership's major federal programs for the year ended June 30, 2021. The Organization's 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Folsom Cordova Community Partnership's 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 Requirement 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 the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe 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 Folsom Cordova Community Partnership's compliance.

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

In our opinion, Folsom Cordova Community Partnership 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.



**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major program is not modified with respect to these matters.

Folsom Cordova Community Partnership's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Folsom Cordova Community Partnership is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report which was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

**Report on Internal Control Over Compliance**

Management of Folsom Cordova Community Partnership 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 the Folsom Cordova Community Partnership's 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 federal 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 Folsom Cordova Community Partnership's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 control over compliance, yet important enough to merit attention by those charged with governance.

**Report on Internal Control Over Compliance (continued)**

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.

*Nicholson & Olson*

Certified Public Accountants  
Roseville, California  
April 6, 2023

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

| Federal Grantor/Pass-through Grantor/Program or Cluster    | Federal<br>CFDA<br>Number | Pass-through<br>Identification<br>Number | Federal<br>Expenditures |
|--|---------------------------|--|-------------------------|
| <b><u>US Department of Health &amp; Human Services</u></b> |                           |  |                         |
| Pass-through Programs from:                                |                           |  |                         |
| <u>Sacramento Employment &amp; Training Agency</u>         |                           |  |                         |
| CSBG - Safety Net Services                                 | 93.569                    | 20C208SN(E)                              | \$ 56,530               |
| CSBG - Family Self Sufficiency                             | 93.569                    | 20C208FSS(E)                             | 53,750                  |
| CSBG - Safety Net Services CARES                           | 93.569                    | 20C208SN-CARES                           | 40,449                  |
| CSBG - Family Self Sufficiency CARES                       | 93.569                    | 20C208FSS-CARES                          | 32,473                  |
| Total Community Services Block Grants                      |                           |  | 183,202                 |
| <u>Sacramento Employment &amp; Training Agency</u>         |                           |  |                         |
| Refugee Social Services - Vocational ESL                   | 93.566                    | 208430RS-18 (E2)                         | 8,572                   |
| Refugee Social Services - Employment Services              | 93.566                    | 203430RS-20                              | 83,625                  |
| Refugee Social Services - VESL - OJT                       | 93.566                    | 203430RS-20                              | 105,857                 |
| Refugee Social Services - Covid 19                         | 93.566                    | 208430RS-20                              | 6,645                   |
| <u>California Department of Social Services</u>            |                           |  |                         |
| YMP Youth Mentoring Program                                | 93.566                    | YMP19FCCP                                | 30,705                  |
| Total Refugee Support Grants                               |                           |  | 235,404                 |
| <u>California Department of Social Services</u>            |                           |  |                         |
| <u>Office of Child Abuse Prevention</u>                    |                           |  |                         |
| Child Abuse & Neglect Program                              | 93.669                    | EE-FCCP-18-21-A1                         | 71,260                  |
| <u>First Five Families</u>                                 |                           |  |                         |
| Child Care Mandatory & Matching Fund                       | 93.590                    | 18/19-EP-285-A1                          | 5,725                   |
| <u>Child Abuse Prevention Council of Sacramento</u>        |                           |  |                         |
| Medical Assistance Program Title XIX                       | 93.778                    | 72057500-18/21-279                       | 24,460                  |
| <u>County of Sacramento Department of Health Services</u>  |                           |  |                         |
| <u>Sierra Health Foundation</u>                            |                           |  |                         |
| Community Based Covid 19 Testing                           | 93.323                    | CA20SAC004                               | 25,000                  |
| Community Based Covid 19 Wrap Around Services              | 93.323                    | CA20SAC022                               | 41,734                  |
| Total Community Based Covid 19 Grants                      |                           |  | 66,734                  |
| <b>Total US Department of Health &amp; Human Services</b>  |                           |  | <b>\$ 586,785</b>       |

continued

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

| Federal Grantor/Pass-through Grantor/Program or Cluster         | Federal<br>CFDA<br>Number           | Pass-through<br>Identification<br>Number | Federal<br>Expenditures    |
|---|-------------------------------------|--|----------------------------|
| <b><u>US Department of Labor</u></b>                            |                                     |  |                            |
| Pass-through <u>Sacramento Employment &amp; Training Agency</u> |                                     |  |                            |
| Workforce Innovation and Opportunity Act (WIOA)                 |                                     |  |                            |
| SWCS - Adult Funds  | 17.258                              | 208201SWSC (E3)                          | 201,631                    |
| SWCS - Dislocated Workers                                       | 17.278                              | 208201SWSC (E3)                          | 66,781                     |
| Disability Employment Accelerator / OJT                         | 17.258                              | 208999DEA                                | 34,680                     |
| Out of School Youth   | 17.259                              | 208301OS-19 (E2)                         | <u>133,718</u>             |
| Total WIOA Cluster  | <b>Total US Department of Labor</b> |  | <b>\$ 436,810</b>          |
| <b><u>US Department of Housing &amp; Urban Development</u></b>  |                                     |  |                            |
| Pass-through from <u>City of Rancho Cordova</u>                 |                                     |  |                            |
| CDBG Cares - Emergency Covid Relief Net Services                | 14.218                              | 2020-97                                  | 93,677                     |
| CDBG Cares - Emergency Covid Relief Net Services                | 14.218                              | 2021-31-1                                | 71,979                     |
| CDBG - Roots & Horizons Youth Mentoring Program                 | 14.218                              | 2021-12                                  | <u>25,921</u>              |
| <b>Total US Department of Housing &amp; Urban Development</b>   |                                     |  | <b>\$ 191,577</b>          |
| <b><u>US Department of Homeland Security</u></b>                |                                     |  |                            |
| Pass-through from <u>United Way Worldwide</u>                   |                                     |  |                            |
| Emergency Food & Shelter National Board Program                 | 97.024                              | Phase 37                                 | <u>9,674</u>               |
| <b>Total US Department of Homeland Security</b>                 |                                     |  | <b>\$ 9,674</b>            |
| <b>Total Expenditures of Federal Awards</b>                     |                                     |  | <b><u>\$ 1,224,846</u></b> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

***Note 1 - Basis of Presentation***

The accompanying schedule of expenditures of Federal awards includes the Federal award activity of Folsom Cordova Community Partnership, under programs of the federal government for the year ended June 30, 2021 in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Folsom Cordova Community Partnership.

***Note 2 - Summary of Significant Accounting Policies***

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U. S. *Code of Feral Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

***Note 3 - De Minimis***

Folsom Cordova Community Partnership has elected to not use the ten (10) percent de minimis indirect cost rate as covered in section 200.414 of the Uniform Guidance for Federal Awards. Instead of electing a ten (10) percent de minimis indirect cost rate, the Organization has a cost allocation plan approved by the granting agencies.

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2021**

**A. SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unmodified    |
| 2. Internal control over financial reporting:                                    |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted?                         | No            |

Federal Awards

- |  |               |
|--|---------------|
| 1. Internal control over major programs:   |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified not considered to be material weaknesses?                             | None reported |
| 2. Type of auditor's report issued on compliance for major programs:   | Unmodified    |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200.516(a)? | Yes           |

4. Identification of major programs:

| <u>CFDA Cluster</u>      | <u>Name of Federal Program or Cluster</u>                            |
|--------------------------|--|
| 17.258 / 17.259 / 17.278 | U.S. Department of Labor<br>Workforce Innovation and Opportunity Act |

- |  |           |
|--|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
| 6. Auditee qualifies as low-risk auditee under 2CFR Section 200.516(a):    | Yes       |

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**FOLSOM CORDOVA COMMUNITY PARTNERSHIP**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2021**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM AUDIT**

U.S. Department of Labor

Workforce Innovation and Opportunity Act - CFDA Cluster 17.258 / 17.259 / 17.278

**2021-001**

Condition & Criteria: The Sacramento Employment Training Agency requires that the grantee submit their annual financial audit and single audit reports within 6 months of the Organization's year end with an additional 6-month extension for year ended June 30, 2021.

Cause: Due to turnover and vacancy in the accounting department positions from July 2021 through May 2022, the Organization failed to submit the annual audit and single audit reports for fiscal year June 30, 2021 within the required timeframe.

Effect: Due to late reports, grantors may reduce or cease funding.

Recommendation: Employ the necessary accounting personnel in order to have the resources to ensure the audit is completed within nine months of year end.

Response: The Organization agrees with the finding - now that the Organization has filled the accounting director position the delinquent audits are being completed as efficiently as possible. The Organization plans to be caught up by the filing of the June 30, 2023 audit.

**D. PRIOR YEAR FINDINGS**

None