

Community Action Marin

San Rafael, California

Financial Statements and Supplementary Information

Year Ended June 30, 2021

(With Comparative Totals for the Year
Ended June 30, 2020)



Community Action Marin

Financial Statements and Supplementary Information
Years Ended June 30, 2021 and 2020

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Independent Auditor's Report

Board of Directors
Community Action Marin
San Rafael, California

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action Marin, 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.

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; 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 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.

Opinion

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

Adjustments to Prior Period Financial Statements

The financial statements of Community Action Marin as of June 30, 2020 were audited by other auditors whose report dated April 2, 2021 expressed an unmodified opinion on those statements. As discussed in Note 1 to the financial statements, Community Action Marin has adjusted its 2020 financial statements to retrospectively apply the change in its accounting policy related to its Small Business Administration Payroll Protection Program loan. The other auditors reported on the financial statements before the retrospective adjustments. As part of our audit of the 2021 financial statements, we also audited the adjustments to the 2020 financial statements to retroactively apply these changes. In our opinion, such adjustments were appropriate and have been properly applied.

As part of our audit of the 2021 financial statements, we also audited adjustments described in Note 1 that were applied to restate the 2020 financial statements to include previously omitted in-kind contribution revenue and expense for contributed space and supplies received during the year ended June 30, 2020. In our opinion, such adjustments were appropriate and have been properly applied.

We were not engaged to audit, review or apply any procedures to Community Action Marin's 2020 financial statements other than with respect to these adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2020 financial statements as a whole.

Report on Summarized Comparative Information

The financial statements of Community Action Marin as of June 30, 2020 were audited by other auditors whose report dated April 2, 2021 expressed an unmodified opinion. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards on pages 22-23, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the supplementary information on pages 24-38, are 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 audits 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. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The June 30, 2020 information on pages 29-34 and 37-38 were subjected to the auditing procedures applied in the June 30, 2020 audit of the financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the June 30, 2020 financial statements as a whole.

Other Matters (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of Community Action Marin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Community Action Marin'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 Community Action Marin's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

December 15, 2021
Madison, Wisconsin

Community Action Marin

Statements of Financial Position

June 30, 2021 and 2020

<i>Assets</i>	2021	(restated) 2020
Current assets:		
Cash and cash equivalents	\$ 2,342,762	\$ 3,419,706
Restricted cash	354,163	347,319
Investments	2,238,972	0
Beneficial interest in assets held by community foundation	3,135,391	2,474,919
Grants receivable	2,313,164	2,018,470
Pledges receivable	0	5,000
Other receivables	0	2,001
Prepaid expenses and other current assets	110,536	403,452
Total current assets	10,494,988	8,670,867
Property and equipment, net	1,896,423	1,612,553
TOTAL ASSETS	\$ 12,391,411	\$ 10,283,420
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 492,549	\$ 449,611
Accrued payroll and related	557,478	30,660
Accrued vacation	706,465	528,674
Accrued unemployment	308,185	477,220
Refundable advances	2,494,099	2,512,797
Due to fiscal agents	1,292	1,292
Total current liabilities	4,560,068	4,000,254
Long-term liability:		
Note payable	44,705	44,705
Total liabilities	4,604,773	4,044,959
Net assets:		
Without donor restrictions:		
Undesignated	5,161,611	4,490,254
Board designated	612,636	483,584
Total net assets without donor restrictions	5,774,247	4,973,838
With donor restrictions	2,012,391	1,264,623
Total net assets	7,786,638	6,238,461
TOTAL LIABILITIES AND NET ASSETS	\$ 12,391,411	\$ 10,283,420

See accompanying notes to financial statements

Community Action Marin

Statements of Activities

Year Ended June 30, 2021 (With Comparative Totals for year ended June 30, 2020)

	2021			(restated) 2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue:				
Government grants and contracts	\$ 9,573,802	\$ 7,100,969	\$ 16,674,771	\$ 15,039,691
Grants income	3,491,779	0	3,491,779	4,245,802
Contributions	103,871	0	103,871	79,839
Other income	54,398	0	54,398	83,807
Childcare fees	98,574	0	98,574	344,918
Rental income	107,465	0	107,465	47,040
Investment income	678,003	0	678,003	59,232
In-kind contributions	102,285	0	102,285	297,363
Net assets released from restrictions	6,353,201	(6,353,201)	0	0
Total revenue	20,563,378	747,768	21,311,146	20,197,692
Expenses:				
Program services:				
Emergency family needs	667,484	0	667,484	571,580
Energy and housing programs	218,826	0	218,826	159,852
Mental health programs	2,034,688	0	2,034,688	2,183,775
Food service program	499,443	0	499,443	329,547
Bolinas child care	0	0	0	65,008
Child development programs	5,877,527	0	5,877,527	5,873,539
Head Start programs	5,816,588	0	5,816,588	5,589,386
Economic opportunity	452,600	0	452,600	575,404
Other programs	1,248,565	0	1,248,565	1,099,838
Total program services	16,815,721	0	16,815,721	16,447,929
Support services:				
Management and general	2,631,045	0	2,631,045	2,354,404
Fundraising	316,203	0	316,203	131,330
Total support services	2,947,248	0	2,947,248	2,485,734
Total expenses	19,762,969	0	19,762,969	18,933,663
Change in net assets	800,409	747,768	1,548,177	1,264,029
Net assets - Beginning of year	4,973,838	1,264,623	6,238,461	4,974,432
Net assets - End of year	\$ 5,774,247	\$ 2,012,391	\$ 7,786,638	\$ 6,238,461

Community Action Marin

Statements of Functional Expenses

Year Ended June 30, 2021 (With Comparative Totals for year ended June 30, 2020)

	2021											(restated) 2020	
	Program Services										Total Expenses	Total Expenses	
	Emergency Family Needs	Energy and Housing Programs	Mental Health Programs	Food Services	Child Development Programs	Head Start and Early Head Start	Economic Opportunity	Other Programs	Total Program Services	Management and General	Fundraising	Total Expenses	Total Expenses
Salaries	\$ 4,690	\$ 155,368	\$ 1,363,266	\$ 149,397	\$ 3,495,596	\$ 3,320,160	\$ 283,058	\$ 71,179	\$ 8,842,714	\$ 1,270,501	\$ 170,880	\$ 10,284,095	\$ 9,739,739
Client expenses	661,868	13,600	149,027	164,251	113,358	214,614	43,549	1,213,728	2,573,995	2,440	0	2,576,435	2,233,440
Employee benefits	526	12,247	112,151	16,710	527,966	351,355	23,619	4,344	1,048,918	72,147	2,654	1,123,719	1,245,188
Contract services	0	0	0	0	134,824	467	1,950	14,705	151,946	3,544	0	155,490	855,241
Occupancy	0	6,356	136,128	32,581	390,169	261,978	43,725	0	870,937	99,395	0	970,332	915,534
Professional fees	0	8,262	71,353	10,218	143,520	159,050	16,208	2,293	410,904	669,149	113,774	1,193,827	716,249
Payroll taxes	347	11,602	98,814	11,037	252,122	244,755	20,682	5,337	644,696	95,161	11,744	751,601	698,354
Building repairs & maintenance	0	0	16	13,229	213,744	318,075	0	(74,955)	470,109	(54,366)	0	415,743	564,557
Program supplies	0	0	9,168	40,910	98,528	252,318	1,956	0	402,880	67,242	1,409	471,531	208,174
Tools & equipment	0	0	2,484	0	19,069	65,075	4,997	3,545	95,170	3,304	0	98,474	204,663
Employee development	0	0	8,956	149	14,047	93,238	2,869	0	119,259	46,258	0	165,517	171,612
Equipment & vehicle maintenance	0	8,200	29,826	40,456	14,729	16,145	0	2,329	111,685	10,038	0	121,723	146,585
Telephone	43	1,647	19,839	3,439	101,408	16,716	3,200	1,804	148,096	45,662	563	194,321	133,829
Office supplies	5	87	1,426	253	14,885	109,913	2,714	1	129,284	78,827	1,042	209,153	116,285
Facility costs	0	0	93	1,317	213,524	230,431	0	0	445,365	(233,564)	0	211,801	91,114
Insurance	0	0	14,265	3,237	35,498	44,320	3,107	0	100,427	(1,662)	2,233	100,998	84,183
Travel	0	0	8,353	5,242	2,691	3,349	47	327	20,009	639	0	20,648	73,710
Printing & publications	5	774	1,391	78	1,067	991	295	1,400	6,001	7,612	7,761	21,374	43,018
Advertising	0	0	3,053	238	2,758	3,443	555	2,528	12,575	24,644	1,275	38,494	31,246
Equipment rental	0	552	0	0	3,695	4,443	552	0	9,242	10,879	0	20,121	20,025
Food service charge	0	0	0	0	0	0	0	0	0	883	0	883	10,419
Interest expense	0	0	0	0	0	0	0	0	0	22,356	0	22,356	3,734
In-kind expenses	0	0	0	0	0	102,285	0	0	102,285	0	0	102,285	297,363
Depreciation	0	0	0	0	0	0	0	0	0	180,237	0	180,237	140,160
Miscellaneous	0	131	5,079	6,701	84,329	3,467	(483)	0	99,224	209,719	2,868	311,811	189,241
Total expenses before allocation of indirect costs	667,484	218,826	2,034,688	499,443	5,877,527	5,816,588	452,600	1,248,565	16,815,721	2,631,045	316,203	19,762,969	18,933,663
Indirect costs	941	19,571	267,489	26,842	632,440	583,746	43,577	31,933	1,606,539	(1,514,465)	(92,074)	0	0
Total expenses	\$ 668,425	\$ 238,397	\$ 2,302,177	\$ 526,285	\$ 6,509,967	\$ 6,400,334	\$ 496,177	\$ 1,280,498	\$ 18,422,260	\$ 1,116,580	\$ 224,129	\$ 19,762,969	\$ 18,933,663

See accompanying notes to financial statements.

Community Action Marin

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	(restated) 2020
Increase (decrease) in cash, cash equivalents and restricted cash:		
Cash flows from operating activities:		
Changes in net assets	\$ 1,548,177	\$ 1,264,029
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	180,237	140,160
Loss on disposal of property and equipment	7,563	26,380
Realized and unrealized gains on investments and beneficial interest in assets held by community foundation	(657,942)	(46,238)
Accrued interest	22,356	0
Changes in operating assets and liabilities:		
Grants receivable	(294,694)	(383,587)
Pledges receivable	5,000	0
Other receivables	2,001	(2,001)
Prepaid expenses and other current assets	292,916	(347,607)
Accounts payable	(95,912)	96,400
Accrued payroll and related	504,462	(42,607)
Accrued vacation	177,791	60,701
Accrued unemployment	(169,035)	227,603
Refundable advances	(18,698)	2,276,429
Due to fiscal agents	0	(134,413)
Net cash provided by operating activities	1,504,222	3,135,249
Cash flows from investing activities:		
Purchase of property and equipment	(341,320)	0
Proceeds from sale of property and equipment	8,500	0
Purchase of investments	(2,241,502)	(2,443,855)
Proceeds from sale of investments	0	2,195,124
Net cash used in investing activities	(2,574,322)	(248,731)
Changes in cash, cash equivalents and restricted cash	(1,070,100)	2,886,518
Cash, cash equivalents and restricted cash - Beginning of year	3,767,025	880,507
Cash, cash equivalents and restricted cash - End of year	\$ 2,696,925	\$ 3,767,025
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 2,342,762	\$ 3,419,706
Restricted cash	354,163	347,319
Total cash, cash equivalents and restricted cash	\$ 2,696,925	\$ 3,767,025
Supplemental schedule of other cash activity:		
Interest paid	\$ 0	\$ 3,734
Supplemental schedule of noncash investing activities:		
Purchase of property and equipment included in accounts payable	\$ 138,850	\$ 0

See accompanying notes to financial statements.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Community Action Marin (the "Organization") is a local community action agency serving Marin County. Created in 1966 with federal Economic Opportunity Act funds, Community Action Marin set about meeting its mission to assist low-income Marin residents in achieving a quality of life based on self-sufficiency and the reduction of dependency through the following programs:

Child Development Programs

Community Action Marin has provided high-quality early childhood education to the families of Marin for over 30 years. The Organization is the largest provider of subsidized child-care in the county, serving families of low income from Marin City to Novato, San Rafael to West Marin. 25% of families with children under 18 in Marin County have low enough income to qualify for subsidized child-care, and the Organization ensures that children from infancy to school-age do well by giving them a safe, caring, home-away-from-home to have fun, learn, and explore, setting them up for school and life success.

Head Start & Early Head Start

The Organization is the county's Head Start agency, operating this federally funded program designed to ensure that children ages 0-5 from income-eligible families get high-quality childhood education and support with health, nutrition, social services, and family development. The Organization ensures family well-being, positive parent child relationships, and nurture parent connections to peers and community, helping families to be successful life-long learners and contributing members of the community.

Central Kitchen

The agency's Central Kitchen prepares daily breakfast, lunch, and snack for almost 1,000 children across all of their free and affordable childcare programs. The Organization uses fresh ingredients grown in our Production Farm and school gardens as programs help educate children about healthy eating and active living. The kitchen also provides a vital space for select local business owners and entrepreneurs to operate and grow small food service businesses.

Economic Opportunity & Workforce Development

Our agency promotes prosperity and hope through a powerful set of coaching and workforce development programs. Bilingual and bicultural coaches partner with clients for household budgeting, rebuilding credit, managing debt, navigating housing, or getting trained for a new career, helping people to put dreams within reach. Staff and volunteers also provided over 600 people with free tax assistance, returning over \$1M to the community.

Emergency Family Needs

Community Action Marin offers one-time emergency support for clients who need help with rent or mortgage payments, rental deposits and, in limited cases, emergency car repairs, durable medical equipment or other essential needs. Our safety net services help to keep people out of crisis. This service is for families with children living in the home; veterans; victims of domestic violence, seniors, or disabled adults.

Energy and Housing Programs

Community Action Marin is the local administrator of the federally funded Low-Income Home Energy Assistance Program (LIHEAP). Our Energy Program also acts as a conduit to other energy assistance and residential conservation programs. Reaching over 800 households each year, our Low-Income Energy Assistance Program ensures that families get assistance with utility payments, wood and propane home energy costs. The Organization also provides weatherization services so that low-income households have access to free services that will make their homes more comfortable and energy efficient.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Mental Health Services

An evidence-based practice, peer recovery ensures that both staff and clients achieve increased well-being together. With lived experience of mental health challenges, peer specialists help to improve mental health outcomes by strengthening social ties, support, and connections to relevant resources. Peers work alongside county clinicians, in the agency's homeless outreach across the county, and those with experience of loved ones with mental health challenges offer youth and adult family partnership. The agency's Peer Education program provides individuals with lived experience the tools to become certified Peer Support Specialists, so they are equipped to assist others with their mental health wellness and recovery using evidence-based skills and resources.

The Organization receives a substantial amount of revenue for its programs funded by the United States Department of Health & Human Services (DHHS) and the California Department of Education (CDE) and accordingly, operates under the guidelines and regulations of these funding sources. During the years ended June 30, 2021 and 2020, the Organization received 29% and 35% of total revenue from DHHS and 26% and 28% of total revenue from CDE.

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Classification of Net Assets

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

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution. The board of Directors has designated a portion of the net assets without donor restrictions of the organization as a reserve for children and family services programs. As these amounts are only designated by board policy, the amounts are classified as net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or may not be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If a restriction is satisfied in the year of contribution, the contribution is recorded as revenue without restrictions.

Use of Estimates

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

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncement

In 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurements*. The amendments in this ASU are intended to improve the effectiveness of disclosures about fair value measurements required under Accounting Standards Codification (ASC) 820. The ASU removes certain disclosures and modifies others. The Organization has applied the amendments in this ASU on a retrospective basis. There was no change in opening balances of net assets and prior period results were not restated.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and highly liquid debt instruments with original maturities of 90 days or less.

Investments

Purchased investments are recorded at fair value and donated investments are recorded as contributions at fair value on the date of receipt. Unrealized gains and losses on investments are included in investment income on the statements of activities. Investment fees are netted with investment return.

Beneficial Interest in Assets Held by Community Foundation

Accounting standards require, among other things, that assets held by an unrelated not-for-profit solely for the benefit of another not-for-profit (beneficiary) be recorded on the beneficiary not-for-profit's financial statements. The fair value of the beneficial interest in assets held by the community foundation is recorded on the statements of financial position. Investment earnings from the beneficial interest in assets held by the community foundation are included in investment income on the statements of activities.

Grants Receivable

The Organization considers the grants receivable to be fully collectible, accordingly, no allowance for doubtful accounts receivable is recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. The Organization capitalizes property and equipment purchased with a cost greater than \$5,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Property and equipment purchased with grant funds are owned by the Organization while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds was \$789,037 and \$790,443 as of June 30, 2021 and 2020.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Grants and Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional contributions are recognized when the barriers to entitlement are overcome and the promises become unconditional. Unconditional contributions are recognized as revenue when received.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award and ASC Subtopic 958-605. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as a refundable advance.

B. Grant Awards That Are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award and ASC Topic 958-606. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Rental Income

Rental income is recognized when earned.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and a similar provision of California law.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Indirect Cost Rate

To facilitate equitable distribution of common purpose costs benefiting more than one direct cost objective, the Organization has negotiated an indirect cost rate with DHHS. The rate is based upon a percentage of total direct salaries and wages, including all fringe benefits. A provisional rate of 16.92% was approved by DHHS effective until June 30, 2021.

Functional Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Occupancy and related costs are allocated based on square footage.

In-Kind Contributions

The Organization has recorded in-kind contributions for space and supplies on the statements of activities and functional expenses in accordance with a financial accounting standard that requires that only contributions of service received that create or enhance a nonfinancial asset or required specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this standard are different than the in-kind requirements of several of the Organization's grant awards. During the year ended June 30, 2021, a substantial number of volunteers have donated significant amount of their time to its programs, the value of which is not determinable or recorded in the accompanying financial statements. The Organization received contributions during the year ended June 30, 2020, with a value of \$1,052,248, primarily for its Head Start and Early Head Start programs, which are not recorded in the statements of activities or functional expenses.

Upcoming Accounting Pronouncement

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. The Organization is currently evaluating the impact of the provisions of ASU Topic 842.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Summarized Financial Information

The financial statements include certain summarized financial information in total but not by net asset class, and certain expenses in total but not on a functional basis. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized financial information was derived.

Change in Accounting Policy and Restatements

During the year ended June 30, 2021, the Organization elected to change its accounting policy related to its Small Business Administration (SBA) Payroll Protection Program (PPP) loan received during the year June 30, 2020. As of June 30, 2020, the Organization had applied the accounting guidance for debt described in Accounting Standards Codification (ASC) Topic 470. The Organization revised its policy to treat the PPP loan as a conditional award described in ASC Subtopic 958-605 because the Organization determined this treatment more accurately reflects the nature of the transaction. During the year ended June 30, 2021, the Organization applied the revenue recognition policy for contributions as described in Note 1. The effect of this change in accounting policy has been applied on a retrospective basis so the financial statements for June 30, 2020 have been restated. The effect of the restatement was an increase in refundable advances and reduction of debt in the amount of \$2,235,602 as of June 30, 2020. There was no impact on net assets or change in net assets for the year ended June 30, 2020. See Note 11 for more information about the PPP loan.

During the year ended June 30, 2021, the Organization determined it previously omitted in-kind contribution revenue and expense for contributed space and supplies received during the year ended June 30, 2020. As a result, in-kind contribution revenue and expense in the amount of \$297,363 was recognized for the year ended June 30, 2020. There was no impact on net assets or change in net assets for the year ended June 30, 2020.

Reclassifications

Certain amounts presented in the 2020 financial statements have been reclassified to conform with the 2021 presentation. Specifically, cash as reported on the 2020 statement of financial position has been reclassified to restricted cash to include the CDP reserve and investments as reported on the 2020 statement of financial position have been reclassified to beneficial interest in assets held by community foundation. In addition, certain 2020 revenue classifications have been revised. There was no effect of these reclassifications on net assets or change in net assets for the year ended June 30, 2020.

Subsequent Events

Subsequent events have been evaluated through December 15, 2021, which is the date the financial statements were available to be issued.

Community Action Marin

Notes to Financial Statements

Note 2: Concentration of Credit Risk

The Organization maintains their cash balances in two financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. Management believes the financial institutions have strong credit ratings and credit risk related to these deposits is minimal.

Note 3: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, are comprised of the following as of June 30:

	2021	2020
Cash and cash equivalents	\$ 2,342,762	\$ 3,419,706
Investments	2,238,972	0
Beneficial interest in assets held by community foundation	3,135,391	2,474,919
Grants receivable	2,313,164	2,018,470
Pledges and other receivables	0	7,001
Total financial assets	10,030,289	7,920,096
Less: Accounts payable	492,549	449,611
Less: Accrued expenses and cash held for fiscal agents	1,573,420	1,037,846
Less: Refundable advances	2,494,099	2,512,797
Less: board designated net assets	612,636	483,584
Less: Net assets with donor restrictions	2,012,391	1,264,623
Total available financial assets	\$ 2,845,194	\$ 2,171,635

The Organization has no formal liquidity policy and relies on available grant funding that is requested and received shortly thereafter to ensure it has cash available to meet its current obligations to vendors and employees.

Note 4: Restricted Cash

Restricted cash consists of the following as of June 30:

	2021	2020
Season of Sharing fund	\$ 287,070	\$ 280,231
California Department of Education (CDE) reserve	67,093	67,088
Totals	\$ 354,163	\$ 347,319

Community Action Marin

Notes to Financial Statements

Note 5: Investments

Investments are reported at fair value with gains and losses included in investment income in the statements of activities. Investments consisted of the following at June 30:

	2021	2020
Fixed income exchange traded funds	\$ 2,238,895	\$ 0
Cash equivalents	77	0
Totals	\$ 2,238,972	\$ 0

Investment income consisted of the following for the years ended June 30:

	2021	2020
Interest and dividends	\$ 20,061	\$ 28,027
Net realized and unrealized gains on investments	657,942	31,205
Total investment income	\$ 678,003	\$ 59,232

Note 6: Beneficial Interest in Assets Held by Community Foundation

The Organization has established a fund at the Marin Community Foundation for the benefit of the Organization. The foundation holds the assets in a fund and the Organization has the discretionary authority to require funds to be paid to the Organization; therefore, the net assets have been recorded as without donor restrictions. A schedule of activity for the years ended June 30, 2021 and 2020, is as follows:

Balance, July 1, 2019	\$ 2,179,950
Donations by the Organization to the fund	250,000
Investment earnings, net of fees	44,969
Balance, June 30, 2020	2,474,919
Investment earnings, net of fees	660,472
Balance, June 30, 2021	\$ 3,135,391

Investment earnings related to the beneficial interest in assets held by Community Foundation is included in investment income on the statements of activities, as disclosed in Note 5.

Community Action Marin

Notes to Financial Statements

Note 7: Fair Value Measurements

Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under professional standards are described as follows:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Information regarding the fair value of assets measured at fair value on a recurring basis as of June 30, 2021 and 2020, was as follows:

	2021			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Investments:				
Fixed income exchange traded funds	\$ 2,238,895	\$ 0	\$ 0	\$ 2,238,895
Cash equivalents	77	0	0	77
Beneficial interest in assets held by community foundation:				
Community Action Marin fund	0	0	3,135,391	3,135,391
Totals	\$ 2,238,972	\$ 0	\$ 3,135,391	\$ 5,374,363

Community Action Marin

Notes to Financial Statements

Note 7: Fair Value Measurements (Continued)

	2020			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Beneficial interest in assets held by community foundation:				
Community Action Marin fund	0	0	2,474,919	2,474,919
Totals	\$ 0	\$ 0	\$ 2,474,919	\$ 2,474,919

The following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Cash equivalents are measured at cost which approximates fair value.
- Fixed income exchange traded funds are valued at quoted market prices.
- Community Action Marin fund is valued based on the Organization's allocable share in the market value of the underlying investments made by the community foundation as reported to the foundation by a third-party trustee from published market quotes. The information used to record the fair value of these investments is provided by the foundation and are considered to be significant unobservable inputs that are not verified by management.

Contributions to assets measured at fair value on a recurring basis using Level 3 inputs totaled \$0 and \$250,000 during the years ended June 30, 2021 and 2020. See details of the changes in the Level 3 assets in Note 6.

The Organization does not have any liabilities measured at fair value on a recurring basis or any assets or liabilities measured at fair value on a nonrecurring basis.

Note 8: Grants Receivable

Grants receivable consist of the following at June 30:

	2021	2020
Energy and housing programs	\$ 85,398	\$ 34,014
Mental health programs	205,930	504,953
Food services	61,526	15,001
Child development programs	1,410,665	807,410
Head Start and Early Head Start	0	479,828
Economic opportunity	150,000	18,975
Bolinas childcare	0	7,500
Other programs	399,645	150,789
Total grants receivable	\$ 2,313,164	\$ 2,018,470

Community Action Marin

Notes to Financial Statements

Note 9: Property and Equipment

Property and equipment consists of the following as of June 30:

	2021	2020
Land	\$ 363,030	\$ 363,030
Buildings and improvements	2,376,230	2,376,230
Leasehold improvements	572,298	388,562
Equipment	189,714	117,818
Vehicles	82,434	149,927
Construction in progress	224,538	0
Subtotals	3,808,244	3,395,567
Less accumulated depreciation	(1,911,821)	(1,783,014)
Totals	\$ 1,896,423	\$ 1,612,553

Construction in progress includes leasehold improvement projects that were in progress as of June 30, 2021. The Organization had contract commitments related to these improvement projects of \$296,871 as of June 30, 2021.

Note 10: Accrued Unemployment

The Organization has elected to be self-insured for the purpose of California State Unemployment Insurance. As of June 30, 2021 and 2020, the amount of accrued unemployment liability was \$308,185 and \$477,220, which represents the estimated future claims arising from payroll paid through June 30, 2021 and 2020, respectively. Unemployment claims paid for the years ended June 30, 2021 and 2020 were \$345,445 and \$103,427, respectively.

Note 11: Refundable Advances

Refundable advances consists of the following as of June 30:

	2021	2020
Paycheck Protection Program (PPP)	\$ 1,794,790	\$ 2,235,602
County rental assistance	250,000	0
Community services block grant program	173,864	0
Federal Head Start and Early Head Start	208,352	23,680
Energy and housing programs	0	87,658
State child development programs	67,093	164,973
Other programs	0	884
Totals	\$ 2,494,099	\$ 2,512,797

The PPP amount represents the receipt of an award from the Small Business Administration's (SBA) PPP program as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic. The Organization has determined the award is a conditional contribution and has applied the policy as described in Note 1. Accordingly, the award is reported as refundable advances until the conditions are substantially met or explicitly waived.

Community Action Marin

Notes to Financial Statements

Note 11: Refundable Advances (Continued)

The Organization has interpreted the condition of the award to be the incurrence of eligible expenditures, adjusted for any decrease in full time equivalents and or salary/wage limitations, during a covered period of either 8 or 24 weeks. The loan amount received by the Organization was \$2,235,602, of which \$440,812 was spent on allowable PPP expenditures during the year ended June 30, 2021. Accordingly, the Organization recognized grant revenue of \$440,812 during the year ended June 30, 2021 and the unspent funds of \$1,794,790 are included in refundable advances as of June 30, 2021. In November 2021, the Organization received notification of forgiveness approval in the amount of \$440,812 and the Organization returned the unspent funds to the financial institution.

Note 12: Note Payable

The Organization purchased modular buildings for the Head Start and Marin Community Child Development programs in a previous year. To finance the purchase, the Organization obtained Community Development Block Grant funds in the amount of \$44,705 from the County of Marin. The Community Development Block Grant has a reversionary interest in the modular buildings. If the Organization, for any reason whatsoever, sells, conveys, encumbers, grants, leases, or otherwise alienates the premises, this 0% loan will be repaid, as an implementer of the Community Development Block Grant Program.

Note 13: Board Designated Net Assets

The board of Directors has designated a portion of the net assets without donor restrictions of the organization as a reserve for children and family services programs. This reserve is only to be used with board approval. A schedule of activity for the years ended June 30, 2021 and 2020, is as follows:

Balance, July 1, 2019	\$ 474,102
<u>Investment earnings allocated to reserve</u>	<u>9,482</u>
Balance, June 30, 2020	483,584
<u>Investment earnings allocated to reserve</u>	<u>129,052</u>
<u>Balance, June 30, 2021</u>	<u>\$ 612,636</u>

Note 14: Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following programs as of June 30:

	2021	2020
LIHEAP	\$ 304	\$ 304
Mental health program	431,604	426,766
Spark point	105,700	39,334
Children and family services	736,644	312,514
Season of sharing / Rapid rehousing	610,674	295,230
<u>Other programs</u>	<u>127,465</u>	<u>190,475</u>
<u>Totals</u>	<u>\$ 2,012,391</u>	<u>\$ 1,264,623</u>

Community Action Marin

Notes to Financial Statements

Note 14: Net Assets with Donor Restrictions (Continued)

During the years ended June 30, 2021 and 2020, net assets with donor restrictions of \$6,353,201 and 2,490,611 were released from restriction through satisfaction of purpose restrictions.

Note 15: Grant Awards

As of June 30, 2021, the Organization had commitments under various grants of approximately \$300,000. These commitments are not recognized in the accompanying financial statements as receivables and revenue as they are conditional awards.

Note 16: Operating Lease Agreements

The Organization leases various facilities for operation of its programs. The rental expense for the years ended June 30, 2021 and 2020 were \$867,246 and \$824,608.

Future minimum lease payments are as follows:

2022	\$ 719,472
2023	379,864
2024	25,423
2025	1,501
<hr/>	
<u>Total</u>	<u>\$ 1,126,260</u>

Note 17: Contingencies

Federal and State Grant Programs

The Organization participates in a number of federally assisted and state grant programs. These programs are subject to program compliance audits by the grantors and their representatives. Any disallowed costs may constitute a liability of the Organization. The Organization believes that it is in substantial compliance with all grant requirements, including those related to matching and disallowed costs, and any noncompliance, if any, would not be significant.

Internal Revenue Service (IRS) Notices

The Organization received notices from the IRS that it owes \$286,078 in Employer Shared Responsibility Payments for compliance with the Affordable Care Act. These notices were from the 2017 and 2018 tax years and totaled \$286,078 and \$14,500, respectively. The Organization has appealed the IRS' ruling and believes it will be successful in appealing these charges, therefore, no liability has been accrued for this matter.

Community Action Marin

Notes to Financial Statements

Note 17: Contingencies (Continued)

Internal Revenue Service (IRS) Notices (Continued)

The Organization received notices from the IRS that it owes a total of \$143,983 in payroll taxes and interest after the IRS' review of the quarterly federal tax returns (Form 941s) filed for the second through fourth quarters of 2020 and first and second quarters of 2021. The Organization is currently evaluating this issue and plans to appeal the decisions. The Organization believes it will be successful in appealing these charges, therefore, no liability has been accrued for this matter.

Note 18: Employee Retirement Plan

The Organization has a contributory tax deferred defined contribution plan under Section 403(b) of the Internal Revenue Code. Employees are eligible to participate in the plan at the beginning of their employment with the Organization. There were no employer contributions to the plan during the years ended June 30, 2021 and 2020.

Note 19: Business Conditions

The COVID-19 pandemic, whose effects first became known in January 2020, is having an impact on commerce and financial markets around the world. The Organization is closely monitoring and actively working to minimize the impact of COVID-19. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's future financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the future effects of this pandemic.

Supplementary Information

Community Action Marin

Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2021

Grantor/Program Title	Federal AL Number	Funding Source/ Pass-Through Entity	Grant Number	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Child and Adult Care Food Program	10.558	California Department of Education	N053-21-1371-OJ	<u>\$ 284,664</u>
Total Department of Agriculture Expenditures				284,664
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant	14.218	County of Marin	CDBG	35,000
Community Development Block Grant	14.218	County of Marin	CDBG-CV 1	340,705
Community Development Block Grant	14.218	County of Marin	CDBG-CV 3	<u>364,753</u>
Total AL #14.218				740,458
Total Department of Housing and Urban Development Expenditures				740,458
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Child Care and Development Fund Cluster				
General Child Care and Development Programs	93.575	California Department of Education	CCTR-0140	271,107
Family Child Care Homes	93.575	California Department of Education	CFCC-0012	<u>40,435</u>
Total AL #93.575				311,542
General Child Care and Development Programs	93.596	California Department of Education	CCTR-0140	591,225
Family Child Care Homes	93.596	California Department of Education	CFCC-0012	<u>88,497</u>
Total AL #93.596				679,722
Total Child Care and Development Fund Cluster Expenditures AL #93.575 and #93.596				991,264
Low Income Home Energy Assistance	93.568	California Department of Community Services	21B-5020	56,765
Low Income Home Energy Assistance	93.568	California Department of Community Services	20B-2020	118,492
Low Income Home Energy Assistance	93.568	California Department of Community Services	20U-2569	<u>63,140</u>
Total AL #93.568				238,397
Community Services Block Grant	93.569	California Department of Community Services	21F-4024	152,843
Community Services Block Grant	93.569	California Department of Community Services	20F-3024	145,447
Community Services Block Grant - Discretionary	93.569	California Department of Community Services	20F-3024	32,000
COVID-19 Community Services Block Grant	93.569	California Department of Community Services	20F-3663	265,400
COVID-19 Community Services Block Grant -Discretionary	93.569	California Department of Community Services	20F-3663	<u>40,370</u>
Total AL #93.569				636,060
Head Start Cluster				
Head Start and Early Head Start	93.600	U.S. Department of Health and Human Services	09CH011669-01	5,852,424
COVID-19 Head Start and Early Head Start		U.S. Department of Health and Human Services	09CH011669-01	<u>318,129</u>
Total Head Start Cluster Expenditures AL #93.600				6,170,553
Total Department of Health and Human Services Expenditures				8,036,274
TOTAL FEDERAL EXPENDITURES				\$ 9,061,396

Community Action Marin

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2021

Grantor/Program Title	Federal AL Number	Funding Source/ Pass-Through Entity	Grant Number	Federal Expenditures
STATE OF CALIFORNIA FUNDING				
General Child Care and Development Programs	N/A	California Department of Education	CCTR-0140	\$ 403,990
California State Preschool Program	N/A	California Department of Education	CSPP-0288	4,437,059
Family Child Care Homes	N/A	California Department of Education	CFCC-0012	241,854
TOTAL STATE EXPENDITURES				\$ 5,082,903

Community Action Marin

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2021

Notes to Schedule of Expenditures of Federal and State Awards

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal and State Awards (the "Schedule") includes the federal and state grant activity of Community Action Marin under programs of the federal and state governments for the year ended June 30, 2021. The information in this schedule is presented 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 Community Action Marin, it is not intended to and does not present the financial position, changes in net assets or cash flows of Community Action Marin.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Subrecipients

No federal grant awards were passed through to subrecipients during the year ended June 30, 2021.

Note 4 - Indirect Cost Rate

Community Action Marin has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 5 - Subcontractor

Community Action Marin subcontracted with North Bay Children Center to operate enrollment days for the California State General Child Care and Development Program.

Community Action Marin
COMBINING STATEMENT OF ACTIVITIES
All Program Services
For the Year Ended June 30, 2021

	Emergency Family Needs	Energy and Housing Programs	Mental Health Programs	Food Services	Child Development Programs	Head Start and Early Head Start	Economic Opportunity	Other Programs	Program Services Total	Management and General	Special Events Fundraising	Eliminations	2021 Total
Revenues													
Government grants	0	238,397	2,305,539	284,664	6,148,121	6,363,387	104,339	532,006	15,976,453	944,787	40,148	(286,617)	16,674,771
Grants income	647,500	0	10,000	0	738,059	0	400,909	1,325,689	3,122,157	6,000	363,622	0	3,491,779
Contributions	0	0	0	0	0	0	13,450	0	13,450	0	90,421	0	103,871
Other income	23,176	0	0	0	30,065	0	0	0	53,241	1,157	0	0	54,398
Parent fees	0	0	0	0	98,574	0	0	0	98,574	0	0	0	98,574
Program service fees	0	0	0	271,530	0	0	0	0	271,530	0	0	(271,530)	0
Rental income	0	0	0	107,465	0	0	0	0	107,465	0	0	0	107,465
Investment income	0	0	0	0	0	0	0	0	0	678,003	0	0	678,003
In-Kind revenue	0	0	0	0	0	1,594,726	0	0	1,594,726	0	0	(1,492,441)	102,285
Net assets released from restrictions	0	0	50,000	0	174,050	0	40,000	(264,050)	0	0	0	0	0
Total Revenues	670,676	238,397	2,365,539	663,659	7,188,869	7,958,113	558,698	1,593,645	21,237,596	1,629,947	494,191	(2,050,588)	21,311,146
Expenses													
Salaries	4,690	155,368	1,363,266	149,397	3,495,596	3,320,160	283,058	71,179	8,842,714	1,270,501	170,880	0	10,284,095
Client expenses	661,868	13,600	149,027	164,251	113,358	214,614	43,549	1,213,728	2,573,995	2,440	0	0	2,576,435
Employee benefits	526	12,247	112,151	16,710	527,966	351,355	23,619	4,344	1,048,918	72,147	2,654	0	1,123,719
Contract services	0	0	0	0	421,441	467	1,950	14,705	438,563	3,544	0	(286,617)	155,490
Occupancy	0	6,356	136,128	32,581	390,169	261,978	43,725	0	870,937	99,395	0	0	970,332
Professional fees	0	8,262	71,353	10,218	143,520	159,050	16,208	2,293	410,904	669,149	113,774	0	1,193,827
Payroll taxes	347	11,602	98,814	11,037	252,122	244,755	20,682	5,337	644,696	95,161	11,744	0	751,601
Building repairs & maintenance	0	0	16	13,229	213,744	318,075	0	(74,955)	470,109	(54,366)	0	0	415,743
Program supplies	0	0	9,168	40,910	98,528	252,318	1,956	0	402,880	67,242	1,409	0	471,531
Tools & equipment	0	0	2,484	0	19,069	65,075	4,997	3,545	95,170	3,304	0	0	98,474
Employee development	0	0	8,956	149	14,047	93,238	2,869	0	119,259	46,258	0	0	165,517
Equipment vehicle & maintenance	0	8,200	29,826	40,456	14,729	16,145	0	2,329	111,685	10,038	0	0	121,723
Telephone	43	1,647	19,839	3,439	101,408	16,716	3,200	1,804	148,096	45,662	563	0	194,321
Office supplies	5	87	1,426	253	14,885	109,913	2,714	1	129,284	78,827	1,042	0	209,153
Facility costs	0	0	93	1,317	213,524	230,431	0	0	445,365	(233,564)	0	0	211,801
Insurance	0	0	14,265	3,237	35,498	44,320	3,107	0	100,427	(1,662)	2,233	0	100,998
Travel	0	0	8,353	5,242	2,691	3,349	47	327	20,009	639	0	0	20,648
Printing & publications	5	774	1,391	78	1,067	991	295	1,400	6,001	7,612	7,761	0	21,374
Advertising	0	0	3,053	238	2,758	3,443	555	2,528	12,575	24,644	1,275	0	38,494
Equipment rental	0	552	0	0	3,695	4,443	552	0	9,242	10,879	0	0	20,121
Food service charge	0	0	0	0	125,004	146,526	0	0	271,530	883	0	(271,530)	883
Interest expense	0	0	0	0	0	0	0	0	0	22,356	0	0	22,356
In-Kind Expense	0	0	0	0	0	1,594,726	0	0	1,594,726	0	0	(1,492,441)	102,285
Miscellaneous	0	131	5,079	6,701	84,329	3,467	(483)	0	99,224	209,719	2,868	0	311,811
Indirect cost allocation	941	19,571	267,489	26,842	632,440	583,746	43,577	31,933	1,606,539	(1,514,465)	(92,074)	0	0
Total Expenses before Depreciation	668,425	238,397	2,302,177	526,285	6,921,588	8,039,301	496,177	1,280,498	20,472,848	936,343	224,129	(2,050,588)	19,582,732
Depreciation	0	0	0	0	0	0	0	0	0	180,237	0	0	180,237
Total Expenses	668,425	238,397	2,302,177	526,285	6,921,588	8,039,301	496,177	1,280,498	20,472,848	1,116,580	224,129	(2,050,588)	19,762,969

See Independent Auditor's Report.

Community Action Marin
COMBINING SCHEDULE OF ACTIVITIES
HEAD START AND EARLY HEAD START PROGRAM
For the Year Ended June 30, 2021

	Grant No. 09CH011669					Head Start Total	Early Head Start Total	Head Start & EHS Total
	Head Start*	Head Start T&A	Head Start COVID-19	Head Start MCF	Other Grants/ Contracts			
Revenues:								
Government contracts	\$ 2,917,740	\$ 26,793	\$ 318,129	\$ -	\$ 192,834	\$ 3,455,496	\$ 2,907,891	\$ 6,363,387
Grants income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Program service fees	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
In-kind revenue	901,716	-	-	-	-	901,716	693,010	1,594,726
Total revenues	3,819,456	26,793	318,129	-	192,834	4,357,212	3,600,901	7,958,113
Expenses:								
Salaries	1,638,407	-	-	-	-	1,638,407	1,681,754	3,320,161
Payroll taxes	120,424	-	-	-	-	120,424	124,331	244,755
Worker's compensation	50,226	-	-	-	-	50,226	44,919	95,145
Employee benefits	132,906	-	-	-	-	132,906	123,304	256,210
Client expenses	157,171	-	-	-	4,073	161,244	53,370	214,614
Professional fees	62,984	6,960	-	-	-	69,944	89,106	159,050
Contract services	-	-	-	-	-	-	467	467
Facility costs	15,875	-	193,380	-	-	209,255	21,175	230,430
Occupancy	139,785	-	-	-	-	139,785	122,193	261,978
Tools and equipment	8,246	-	3,914	-	46,841	59,001	6,074	65,075
Equipment & vehicle maintenance	7,302	-	-	-	-	7,302	8,843	16,145
Building repairs & maintenance	98,121	-	120,835	-	-	218,956	99,119	318,075
Miscellaneous	1,681	-	-	-	-	1,681	1,786	3,467
Program supplies	75,319	45	-	-	85,142	160,506	91,812	252,318
Insurance	18,564	-	-	-	-	18,564	25,756	44,320
Employee development	3,582	19,788	-	-	53,600	76,970	16,268	93,238
Telephone	7,568	-	-	-	4,026	11,594	5,122	16,716
Travel	1,359	-	-	-	-	1,359	1,990	3,349
Printing & publications & Advertisir	1,955	-	-	-	-	1,955	2,479	4,434
Office supplies	22,705	-	-	-	80,340	103,045	6,868	109,913
Equipment rental	1,907	-	-	-	-	1,907	2,536	4,443
In-kind expenses	901,716	-	-	-	-	901,716	693,010	1,594,726
Food service charge	61,374	-	-	-	-	61,374	85,152	146,526
Indirect cost allocation	290,279	-	-	-	-	290,279	293,467	583,746
Total expenses	3,819,456	26,793	318,129	-	274,022	4,438,400	3,600,901	8,039,301
Change in net assets	-	-	-	-	(81,188)	(81,188)	-	(81,188)
Net assets, beginning of period	(22)	-	-	(11,185)	42,629	31,422	12,258	2,055
Net assets, end of period	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,185)</u>	<u>\$ (38,559)</u>	<u>\$ (49,766)</u>	<u>\$ 12,258</u>	<u>\$ (79,133)</u>

* Includes in-kind revenue and expenses which are not recognized in the financial statements.

Community Action Marin
COMBINING SCHEDULE OF ACTIVITIES
EARLY HEAD START PROGRAM
For the Year Ended June 30, 2021

	<u>Grant No. 09CH011669</u>				Total
	Early Head Start*	Early Head Start T&A	EHS CalWorks	Other Grants/ Contracts	
Revenues:					
Government contracts	\$ 2,892,306	\$ 15,585	\$ -	\$ -	\$ 2,907,891
Grants income	-	-	-	-	-
Contributions	-	-	-	-	-
Program service fees	-	-	-	-	-
Fundraising	-	-	-	-	-
Other income	-	-	-	-	-
In-kind revenue	693,010	-	-	-	693,010
Total revenues	<u>3,585,316</u>	<u>15,585</u>	<u>-</u>	<u>-</u>	<u>3,600,901</u>
Expenses:					
Salaries	1,681,754	-	-	-	1,681,754
Payroll taxes	124,331	-	-	-	124,331
Worker's compensation	44,919	-	-	-	44,919
Employee benefits	123,304	-	-	-	123,304
Client expenses	53,370	-	-	-	53,370
Professional fees	86,786	2,320	-	-	89,106
Contract services	-	467	-	-	467
Facility costs	21,175	-	-	-	21,175
Occupancy	122,193	-	-	-	122,193
Tools and equipment	6,074	-	-	-	6,074
Equipment & vehicle maintenance	8,843	-	-	-	8,843
Building Repairs & Maintenance	99,119	-	-	-	99,119
Miscellaneous	1,786	-	-	-	1,786
Program supplies	90,906	906	-	-	91,812
Insurance	25,756	-	-	-	25,756
Employee development	4,376	11,892	-	-	16,268
Telephone	5,122	-	-	-	5,122
Travel	1,990	-	-	-	1,990
Depreciation	-	-	-	-	-
Printing & publications	2,479	-	-	-	2,479
Interest	-	-	-	-	-
Office supplies	6,868	-	-	-	6,868
Equipment rental	2,536	-	-	-	2,536
In-kind expenses	693,010	-	-	-	693,010
Food service charge	85,152	-	-	-	85,152
Indirect cost allocation	293,467	-	-	-	293,467
Total expenses	<u>3,585,316</u>	<u>15,585</u>	<u>-</u>	<u>-</u>	<u>3,600,901</u>
Change in net assets	-	-	-	-	-
Net assets, beginning of period	-	(1)	11,810	449	12,258
Net assets, end of period	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 11,810</u>	<u>\$ 449</u>	<u>\$ 12,258</u>

* Includes in-kind revenue and expenses which are not recognized in the financial statements.

Community Action Marin
SCHEDULE OF REVENUE AND EXPENSES
HEAD START AND EARLY HEAD START PROGRAM

Grant No. 09CH011669
For the Period July 1, 2020 through June 30, 2021

	Audited Costs* <u>Head Start</u>	Audited Costs* <u>Early Head Start</u>	Total Audited Costs*	Total Budgets
Revenues:				
U.S. Dept. of Health & Human Services	\$ 3,262,662	\$ 2,907,891	\$ 6,170,553	\$ 6,378,905
Child Care Food Program	149,429	43,406	192,835	200,000
In-kind revenue	<u>901,716</u>	<u>693,010</u>	<u>1,594,726</u>	<u>1,460,806</u>
Total revenues	<u>4,313,807</u>	<u>3,644,307</u>	<u>7,958,114</u>	<u>8,039,711</u>
Expenses:				
Personnel	1,809,057	1,851,004	3,660,061	3,697,589
Fringe benefits	132,906	123,304	256,210	258,837
Travel	24,729	18,258	42,987	43,428
Equipment	21,369	17,453	38,822	39,220
Supplies	98,069	98,680	196,749	198,766
Contractual	69,944	89,573	159,517	161,153
Facilities/construction	567,996	242,487	810,483	818,793
Other	248,313	173,665	421,978	426,305
Food costs	149,429	43,406	192,835	194,812
In-kind expenses	901,716	693,010	1,594,726	1,611,077
Indirect costs	<u>290,279</u>	<u>293,467</u>	<u>583,746</u>	<u>589,731</u>
Total expenses	<u>4,313,807</u>	<u>3,644,307</u>	<u>7,958,114</u>	<u>8,039,711</u>
Revenue over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Includes in-kind revenue and expenses which are not recognized in the financial statements.

Community Action Marin
COMBINING SCHEDULE OF ACTIVITIES
ENERGY PROGRAM
For the Year Ended June 30, 2021

	LIHEAP 20B-2020 EHA	LIHEAP 21B-5020 EHA	DAP 20D-1020 EHA	LIHEAP 20U-2569 EHA	Other Grants and Contracts	Total
Revenues:						
Government grants	\$ 118,492	\$ 56,765	\$ -	\$ 63,140	\$ -	\$ 238,397
Other income	-	-	-	-	-	-
Total revenues	<u>118,492</u>	<u>56,765</u>	<u>-</u>	<u>63,140</u>	<u>-</u>	<u>238,397</u>
Expenses:						
Salaries	67,579	34,123	-	53,666	-	155,368
Employee benefits	10,430	4,409	-	9,009	-	23,848
Professional Fees	8,262	-	-	-	-	8,262
ECIP and HEAP payments	7,750	5,850	-	-	-	13,600
Supplies	11	2	-	73	-	86
Equipment	5,724	3,599	-	-	-	9,323
Communication	238	446	-	392	-	1,076
Occupancy	4,732	1,624	-	-	-	6,356
Indirect costs	13,625	5,946	-	-	-	19,571
Program support	141	766	-	-	-	907
Total expenses	<u>118,492</u>	<u>56,765</u>	<u>-</u>	<u>63,140</u>	<u>-</u>	<u>238,397</u>
Change in net assets	-	-	-	-	-	-
Net assets, beginning of period	-	-	-	-	5,000	5,000
Net assets, end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 20B-2020 (LIHEAP EHA)
 For the Year Ended June 30, 2021

	10/1/2019 through 6/30/2020	7/1/2020 through 6/30/2021	Total Audited Costs	Total Reported Costs	Total Budgets
Revenues:					
Government grants	\$ 106,362	\$ 118,492	\$ 224,854		\$ 224,854
Revenue adjustment (deferred)	-	-	-		-
Total revenues	<u>106,362</u>	<u>118,492</u>	<u>224,854</u>		<u>224,854</u>
Expenses:					
Assurance 16 costs	<u>15,604</u>	<u>21,478</u>	<u>37,082</u>	<u>37,082</u>	<u>37,102</u>
Administrative costs	<u>13,679</u>	<u>20,866</u>	<u>34,545</u>	<u>34,545</u>	<u>37,102</u>
Program support costs (ECIP and HEAP)					
Intake	21,128	29,072	50,200	50,200	50,217
Outreach	13,238	18,147	31,385	31,385	31,386
Training and Technical Assistance	5,295	7,258	12,553	12,553	12,554
General operating expenditures	6,921	5,659	12,580	12,580	-
Automation supplemental	<u>19,421</u>	<u>8,262</u>	<u>27,683</u>	<u>27,683</u>	-
Subtotal program support costs	<u>66,003</u>	<u>68,398</u>	<u>134,401</u>	<u>134,401</u>	<u>94,157</u>
Program services costs:					
ECIP Emergency Heating & Cooling Services					
Wood, Propane and Oil (ECIP & HEAP WPO)	<u>11,076</u>	<u>7,750</u>	<u>18,826</u>	<u>18,826</u>	<u>56,493</u>
Subtotal program services costs	<u>11,076</u>	<u>7,750</u>	<u>18,826</u>	<u>18,826</u>	<u>56,493</u>
Total expenses	<u>\$ 106,362</u>	<u>\$ 118,492</u>	<u>\$ 224,854</u>	<u>\$ 224,854</u>	<u>\$ 224,854</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 21B-5020 (LIHEAP EHA)
 For the Year Ended June 30, 2021

	11/1/2020 through 6/30/2021	7/1/2021 through 6/30/2022	Total Audited Costs	Total Reported Costs	Total Budgets
Revenues:					
Government grants	\$ 56,765	\$ -	\$ 56,765		\$ 204,208
Revenue adjustment (deferred)	-	-	-		-
Total revenues	<u>56,765</u>	<u>-</u>	<u>56,765</u>		<u>204,208</u>
Expenses:					
Assurance 16 costs	<u>10,880</u>	<u>-</u>	<u>10,880</u>	<u>10,880</u>	<u>33,660</u>
Administrative costs	<u>9,235</u>	<u>-</u>	<u>9,235</u>	<u>9,235</u>	<u>33,660</u>
Program support costs (ECIP and HEAP)					
Intake	14,747	-	14,747	14,747	45,629
Outreach	9,217	-	9,217	9,217	28,518
Training and Technical Assistance	3,687	-	3,687	3,687	11,407
General operating expenditures	3,149	-	3,149	3,149	-
Automation supplemental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal program support costs	<u>30,800</u>	<u>-</u>	<u>30,800</u>	<u>30,800</u>	<u>85,554</u>
Program services costs:					
ECIP Emergency Heating & Cooling Services	-	-	-	-	
Wood, Propane and Oil (ECIP & HEAP WPO)	<u>5,850</u>	<u>-</u>	<u>5,850</u>	<u>5,850</u>	<u>51,334</u>
Subtotal program services costs	<u>5,850</u>	<u>-</u>	<u>5,850</u>	<u>5,850</u>	<u>51,334</u>
Total expenses	<u>\$ 56,765</u>	<u>\$ -</u>	<u>\$ 56,765</u>	<u>\$ 56,765</u>	<u>\$ 204,208</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 20D-1020 (DAP LIHEAP EHA)
 For the Year Ended June 30, 2021

	10/1/2019 through 6/30/2020	7/1/2020 through 12/31/2021	Total Audited Costs	Total Reported Costs	Total Budgets
Revenues:					
Government grants	\$ -	\$ -	\$ -		\$ 18,028
Revenue adjustment (deferred)	-	-	-		-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>		<u>18,028</u>
Expenses:					
Assurance 16 costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,675</u>
Administrative costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,675</u>
Program support costs (ECIP and HEAP)					
Intake	-	-	-	-	2,412
Outreach	-	-	-	-	1,508
Training and Technical Assistance	-	-	-	-	603
General operating expenditures	-	-	-	-	-
Automation supplemental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal program support costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,523</u>
Program services costs:					
ECIP Emergency Heating & Cooling Services					
Wood, Propane and Oil (ECIP & HEAP WPO)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,155</u>
Subtotal program services costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,155</u>
Total expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,028</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 20U-2569 (LIHEAP EHA)
 For the Year Ended June 30, 2021

	7/1/2020 through 6/30/2021	7/1/2021 through 9/30/2021	Total Audited Costs	Total Reported Costs	Total Budgets
Revenues:					
Government grants	\$ 63,140	\$ -	\$ 63,140		\$ 87,798
Revenue adjustment (deferred)	-	-	-		-
Total revenues	<u>63,140</u>	<u>-</u>	<u>63,140</u>		<u>87,798</u>
Expenses:					
Assurance 16 costs	<u>13,877</u>	<u>-</u>	<u>13,877</u>	<u>13,877</u>	<u>14,048</u>
Administrative costs	<u>13,877</u>	<u>-</u>	<u>13,877</u>	<u>13,877</u>	<u>14,048</u>
Program support costs (ECIP and HEAP)					
Intake	18,873	-	18,873	18,873	19,105
Outreach	11,795	-	11,795	11,795	11,940
Training and Technical Assistance	4,718	-	4,718	4,718	4,776
General operating expenditures	-	-	-	-	-
Automation supplemental	-	-	-	-	-
Subtotal program support costs	<u>35,386</u>	<u>-</u>	<u>35,386</u>	<u>35,386</u>	<u>35,821</u>
Program services costs:					
ECIP Emergency Heating & Cooling Services	-	-	-	-	23,881
Wood, Propane and Oil (ECIP & HEAP WPO)	-	-	-	-	-
Subtotal program services costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,881</u>
Total expenses	<u>\$ 63,140</u>	<u>\$ -</u>	<u>\$ 63,140</u>	<u>\$ 63,140</u>	<u>\$ 87,798</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 20F-3024 (CSBG ADMIN)
 For the Year Ended June 30, 2021

	1/1/2020 through 6/30/2020	7/1/2020 through 12/31/2021	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Government grants	\$ 132,579	\$ 145,447	\$ 278,026		\$ 278,026
Other revenue	-	-	-		-
Total revenues	<u>132,579</u>	<u>145,447</u>	<u>278,026</u>		<u>278,026</u>
Expenses:					
Administrative costs:					
Salaries and wages	82,283	83,344	165,627	165,627	165,628
Fringe benefits	4,042	19,809	23,851	23,851	23,851
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal administrative costs	<u>86,325</u>	<u>103,153</u>	<u>189,478</u>	<u>189,478</u>	<u>189,479</u>
Program costs:					
Salaries and wages	44,045	33,764	77,809	77,809	77,751
Fringe benefits	2,208	8,530	10,738	10,738	10,796
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal program costs	<u>46,253</u>	<u>42,294</u>	<u>88,547</u>	<u>88,547</u>	<u>88,547</u>
Total expenses	<u>\$ 132,578</u>	<u>\$ 145,447</u>	<u>\$ 278,025</u>	<u>\$ 278,025</u>	<u>\$ 278,026</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 20F-3024 (CSBG DISCRETIONARY)
 For the Year Ended June 30, 2021

	1/1/2020 through 6/30/2020	7/1/2020 through 12/31/2021	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Government grants	\$ -	\$ 32,000	\$ 32,000		\$ 32,000
Other revenue	-	-	-		-
Total revenues	<u>-</u>	<u>32,000</u>	<u>32,000</u>		<u>32,000</u>
Expenses:					
Administrative costs:					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal administrative costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program costs:					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	32,000	32,000	32,000	32,000
Other costs	-	-	-	-	-
Subtotal program costs	<u>-</u>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>
Total expenses	<u>\$ -</u>	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>\$ 32,000</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 21F-4024 (CSBG ADMIN)
 For the Year Ended June 30, 2021

	1/1/2021 through 6/30/2021	7/1/2021 through 5/31/2022	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Government grants	\$ 152,843	\$ -	\$ 152,843		\$ 278,026
Other revenue	-	-	-		-
Total revenues	<u>152,843</u>	<u>-</u>	<u>152,843</u>		<u>278,026</u>
Expenses:					
Administrative costs:					
Salaries and wages	96,132	-	96,132	96,132	174,866
Fringe benefits	14,763	-	14,763	14,763	26,854
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal administrative costs	<u>110,895</u>	<u>-</u>	<u>110,895</u>	<u>110,895</u>	<u>201,720</u>
Program costs:					
Salaries and wages	36,667	-	36,667	36,667	66,700
Fringe benefits	5,281	-	5,281	5,281	9,606
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal program costs	<u>41,948</u>	<u>-</u>	<u>41,948</u>	<u>41,948</u>	<u>76,306</u>
Total expenses	<u>\$ 152,843</u>	<u>\$ -</u>	<u>\$ 152,843</u>	<u>\$ 152,843</u>	<u>\$ 278,026</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 21F-4425 (CSBG DISCRETIONARY)
 For the Year Ended June 30, 2021

	6/1/2021 through 6/30/2021	7/1/2021 through 5/31/2022	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Government grants	\$ -	\$ -	\$ -		\$ 28,250
Other revenue	-	-	-		-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>		<u>28,250</u>
Expenses:					
Administrative costs:					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal administrative costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program costs:					
Salaries and wages	-	-	-	-	23,000
Fringe benefits	-	-	-	-	4,600
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	650
Subtotal program costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,250</u>
Total expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,250</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 20F-3663 (CSBG CARES)
 For the Year Ended June 30, 2021

	1/1/2020 through 6/30/2020	7/1/2020 through 6/30/2021	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Government grants	\$ -	\$ 265,400	\$ 265,400		\$ 377,057
Other revenue	-	-	-		-
Total revenues	<u>-</u>	<u>265,400</u>	<u>265,400</u>		<u>377,057</u>
Expenses:					
Administrative costs:					
Salaries and wages	-	26,657	26,657	26,657	59,500
Fringe benefits	-	4,233	4,233	4,233	9,448
Operating expenses and equipment	-	112,361	112,361	112,361	102,149
Equipment	-	33,397	33,397	33,397	33,397
Subcontractor services	-	35,959	35,959	35,959	54,728
Other costs	-	-	-	-	-
Subtotal administrative costs	<u>-</u>	<u>212,607</u>	<u>212,607</u>	<u>212,607</u>	<u>259,222</u>
Program costs:					
Salaries and wages	-	45,221	45,221	45,221	100,934
Fringe benefits	-	7,572	7,572	7,572	16,901
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal program costs	<u>-</u>	<u>52,793</u>	<u>52,793</u>	<u>52,793</u>	<u>117,835</u>
Total expenses	<u>\$ -</u>	<u>\$ 265,400</u>	<u>\$ 265,400</u>	<u>\$ 265,400</u>	<u>\$ 377,057</u>

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 20F-3663 (CSBG CARES DISCRETIONARY)
 For the Year Ended June 30, 2021

	1/1/2020 through 6/30/2020	7/1/2020 through 6/30/2021	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Government grants	\$ -	\$ 40,370	\$ 40,370		\$ 40,370
Other revenue	-	-	-		-
Total revenues	<u>-</u>	<u>40,370</u>	<u>40,370</u>		<u>40,370</u>
Expenses:					
Administrative costs:					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating expenses and equipment	-	-	-	-	-
Equipment	-	-	-	-	-
Subcontractor services	-	4,000	4,000	4,000	4,000
Other costs	-	-	-	-	-
Subtotal administrative costs	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
Program costs:					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	36,370	36,370	36,370	36,370
Other costs	-	-	-	-	-
Subtotal program costs	<u>-</u>	<u>36,370</u>	<u>36,370</u>	<u>36,370</u>	<u>36,370</u>
Total expenses	<u>\$ -</u>	<u>\$ 40,370</u>	<u>\$ 40,370</u>	<u>\$ 40,370</u>	<u>\$ 40,370</u>

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*

Board of Directors
Community Action Marin
San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Action Marin, 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 December 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action Marin’s 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 Action Marin’s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Marin’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, misstatements 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 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Marin's 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 statements. 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*.

Management Response to Finding

Community Action Marin's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Action Marin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Community Action Marin's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action Marin's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

December 15, 2021
Madison, Wisconsin

Independent Auditor’s Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Community Action Marin
San Rafael, California

Report on Compliance for the Major Federal Program

We have audited Community Action Marin’s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2021. Community Action Marin’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility for Compliance

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for Community Action Marin’s major federal program 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Marin’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on Community Action Marin’s compliance.

Opinion

In our opinion, Community Action Marin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Community Action Marin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Action Marin's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Community Action Marin'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Wipfli LLP

Wipfli LLP

December 15, 2021
Madison, Wisconsin

Community Action Marin

Schedule of Federal Findings and Questioned Costs Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No

Identification of major federal programs:

<u>Name of Federal Major Program or Cluster</u>	<u>AL Number</u>
Head Start Cluster	93.600
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Community Action Marin

Schedule of Federal Findings and Questioned Costs Year Ended June 30, 2021

Section II - Financial Statement Findings

Finding 2021-001: Material Adjusting Journal Entries

Condition: During the audit, Wipfli LLP proposed several adjusting journal entries to properly record grants receivable, property and equipment, accrued payroll and related, refundable advances, and grant revenue which we deem to be material in relation to the financial statements. Since the internal controls of Community Action Marin did not detect and record the adjustments described above prior to the audit, a material weakness exists in the Organization's internal controls over financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in the United States.

Criteria: Internal controls are effective if they are properly designed and implemented to prevent or detect account misstatements prior to the audit.

Cause: The internal controls of Community Action Marin were not effective in preventing or detecting and correcting the misstatements described above prior to the audit.

Effect: As a result of the financial reporting matter identified in the condition paragraph, a material weakness exists in Community Action Marin's internal controls over financial reporting.

Recommendation: We recommend Community Action Marin implement procedures to provide sufficient internal control over financial reporting such that all necessary transactions are recorded in accordance with accounting principles generally accepted in the United States and funding source requirements. We recommend a more consistent process for the review of account reconciliations and adjusting journal entries.

View of responsible officials: Management agrees with the assessment and has committed to a corrective action plan.

Section III - Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Year Findings

None