

Community Action Marin

San Rafael, California

Financial Statements and
Supplementary Information

Year Ended June 30, 2022
(With Comparative Totals for the Year
Ended June 30, 2021)



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Community Action Marin

Years Ended June 30, 2022 and 2021

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Independent Auditor's Report

Board of Directors
Community Action Marin
San Rafael, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Action Marin (the "Agency"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Community Action Marin as of June 30, 2022, 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 of America ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Marin's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Action Marin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Marin's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our 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, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the supplementary information on pages 25-38 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. In our opinion, the information is fairly stated in all materiality respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We previously audited Community Action Marin's 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the 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 the Community Action Marin's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Madison, Wisconsin
December 15, 2022

Community Action Marin

Statement of Financial Position

June 30, 2022 (With Comparative Totals for June 30, 2021)

<i>Assets</i>	2022	2021
Current assets:		
Cash and cash equivalents	\$ 1,566,814	\$ 2,342,762
Restricted cash	458,631	354,163
Investments	0	2,238,972
Beneficial interest in assets held by community foundation	2,597,514	3,135,391
Grants and contracts receivable	3,040,106	2,313,164
Prepaid expenses and other current assets	157,729	110,536
Total current assets	7,820,794	10,494,988
Property and equipment, net	2,178,151	1,896,423
TOTAL ASSETS	\$ 9,998,945	\$ 12,391,411
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 377,273	\$ 492,549
Accrued payroll and related	718,560	557,478
Accrued vacation	733,077	706,465
Accrued unemployment	314,539	308,185
Refundable advances	879,515	2,494,099
Due to fiscal agents	1,292	1,292
Total current liabilities	3,024,256	4,560,068
Long-term liability:		
Note payable	44,705	44,705
Total liabilities	3,068,961	4,604,773
Net assets:		
Without donor restrictions:		
Undesignated	4,784,156	5,161,611
Board designated	507,539	612,636
Total net assets without donor restrictions	5,291,695	5,774,247
With donor restrictions	1,638,289	2,012,391
Total net assets	6,929,984	7,786,638
TOTAL LIABILITIES AND NET ASSETS	\$ 9,998,945	\$ 12,391,411

See accompanying notes to financial statements

Community Action Marin

Statement of Activities

Year Ended June 30, 2022 (With Comparative Totals for year ended June 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue:				
Government grants and contracts	\$ 14,711,341	\$ 2,031,589	\$ 16,742,930	\$ 16,674,771
Grants income	2,115,764	0	2,115,764	3,491,779
Contributions	702,531	0	702,531	103,871
Other income	93,269	0	93,269	54,398
Childcare fees	4,344	0	4,344	98,574
Rental income	116,334	0	116,334	107,465
Investment (loss) income	(391,261)	0	(391,261)	678,003
In-kind contributions	102,285	0	102,285	102,285
Net assets released from restrictions	2,405,691	(2,405,691)	0	0
Total revenue	19,860,298	(374,102)	19,486,196	21,311,146
Expenses:				
Program services:				
Energy programs	254,771	0	254,771	218,826
Mental health programs	1,549,770	0	1,549,770	2,034,688
Food justice programs	710,245	0	710,245	499,443
Child development programs	7,087,681	0	7,087,681	5,877,527
Head Start programs	5,633,200	0	5,633,200	5,816,588
Economic justice programs	409,813	0	409,813	452,600
Safety net programs	2,057,866	0	2,057,866	1,916,049
Total program services	17,703,346	0	17,703,346	16,815,721
Support services:				
Management and general	1,854,429	0	1,854,429	2,631,045
Fundraising	785,075	0	785,075	316,203
Total support services	2,639,504	0	2,639,504	2,947,248
Total expenses	20,342,850	0	20,342,850	19,762,969
Change in net assets	(482,552)	(374,102)	(856,654)	1,548,177
Net assets - Beginning of year	5,774,247	2,012,391	7,786,638	6,238,461
Net assets - End of year	\$ 5,291,695	\$ 1,638,289	\$ 6,929,984	\$ 7,786,638

See accompanying notes to financial statements.

Community Action Marin

Statement of Functional Expenses

Year Ended June 30, 2022 (With Comparative Totals for year ended June 30, 2021)

	2022										2021	
	Energy Programs	Mental Health Programs	Food Justice Programs	Child Development Programs	Head Start Programs	Economic Justice Programs	Safety Net Programs	Total Program Services	Management and General	Fundraising	Total Expenses	Total Expenses
Salaries	\$ 175,207	\$ 1,069,405	\$ 178,034	\$ 4,178,409	\$ 3,486,865	\$ 259,190	\$ 678,519	\$ 10,025,629	\$ 1,273,869	\$ 131,247	\$ 11,430,745	\$ 10,284,095
Client expenses	21,402	97,748	240,532	4,185	4,186	11,718	1,074,566	1,454,337	0	9,853	1,464,190	2,576,435
Employee benefits	12,607	96,534	20,499	506,957	421,977	28,056	63,456	1,150,086	112,379	4,740	1,267,205	1,123,719
Contract services	0	308	0	516,187	11,783	4,150	30,048	562,476	37,447	0	599,923	155,490
Occupancy	9,609	33,470	29,298	514,957	315,235	48,349	53,210	1,004,128	80,163	16,347	1,100,638	970,332
Professional fees	5,298	81,185	9,929	313,354	273,455	20,678	43,432	747,331	330,534	543,051	1,620,916	1,193,827
Payroll taxes	14,175	79,011	13,488	355,915	239,338	18,986	55,117	776,030	84,160	8,281	868,471	751,601
Building repairs & maintenance	0	1,134	98,263	237,394	304,129	0	0	640,920	(197,671)	0	443,249	415,743
Program supplies	0	0	45,083	101,288	144,664	205	474	291,714	1,393	342	293,449	471,531
Tools & equipment	0	0	8,811	13,968	43,628	0	1,442	67,849	5,532	0	73,381	98,474
Employee development	20	25,276	0	27,070	41,884	349	1,977	96,576	23,758	47	120,381	165,517
Equipment & vehicle maintenance	10,975	17,015	19,675	47,937	20,398	0	25,133	141,133	(25,623)	0	115,510	121,723
Telephone	1,685	8,716	3,276	60,340	27,778	3,959	4,903	110,657	31,550	635	142,842	194,321
Office supplies	0	7,744	3,722	29,429	17,380	3,221	8,870	70,366	22,986	172	93,524	209,153
Facility costs	0	0	9,580	85,348	103,156	0	0	198,084	(157,781)	0	40,303	211,801
Insurance	0	12,083	3,042	33,452	27,367	2,920	1,320	80,184	7,664	2,098	89,946	100,998
Travel	0	8,155	5,642	3,982	4,538	621	7,951	30,889	4,803	0	35,692	20,648
Printing & publications	1,478	0	0	3,073	2,488	646	1,046	8,731	11,680	23,037	43,448	21,374
Advertising	48	11,003	2,607	40,705	34,218	5,212	5,724	99,517	21,117	38,408	159,042	38,494
Equipment rental	1,555	0	971	13,731	6,448	1,553	0	24,258	12,648	0	36,906	20,121
Food service charge	0	0	0	0	0	0	0	0	13,005	0	13,005	883
Interest expense	0	0	0	0	0	0	0	0	1,388	0	1,388	22,356
In-kind expenses	0	0	0	0	102,285	0	0	102,285	0	0	102,285	102,285
Depreciation	0	0	16,338	0	0	0	0	16,338	159,428	0	175,766	180,237
Miscellaneous	712	983	1,455	0	0	0	678	3,828	0	6,817	10,645	311,811
Total expenses before allocation of indirect costs	254,771	1,549,770	710,245	7,087,681	5,633,200	409,813	2,057,866	17,703,346	1,854,429	785,075	20,342,850	19,762,969
Indirect costs	23,030	135,461	59,420	660,520	500,075	51,454	133,496	1,563,456	(1,552,778)	(10,678)	0	0
Total expenses	\$ 277,801	\$ 1,685,231	\$ 769,665	\$ 7,748,201	\$ 6,133,275	\$ 461,267	\$ 2,191,362	\$ 19,266,802	\$ 301,651	\$ 774,397	\$ 20,342,850	\$ 19,762,969

See accompanying notes to financial statements.

Community Action Marin

Statement of Cash Flows

Year Ended June 30, 2022 (With Comparative Totals for year ended June 30, 2021)

	2022	2021
Changes in cash, cash equivalents and restricted cash:		
Cash flows from operating activities:		
Changes in net assets	(\$ 856,654)	\$ 1,548,177
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	175,766	180,237
Loss on disposal of property and equipment	0	7,563
Realized and unrealized losses (gains) on investments and beneficial interest in assets held by community foundation	416,980	(657,942)
Accrued interest	(24,694)	22,356
Changes in operating assets and liabilities:		
Grants and contracts receivable	(726,942)	(294,694)
Pledges receivable	0	5,000
Other receivables	0	2,001
Prepaid expenses and other current assets	(47,193)	292,916
Accounts payable	23,574	(95,912)
Accrued payroll and related	185,776	504,462
Accrued vacation	26,612	177,791
Accrued unemployment	6,354	(169,035)
Refundable advances	(1,614,584)	(18,698)
Net cash (used in) provided by operating activities	(2,435,005)	1,504,222
Cash flows from investing activities:		
Purchase of property and equipment	(596,344)	(341,320)
Proceeds from sale of property and equipment	0	8,500
Purchase of investments	(524,143)	(2,241,502)
Proceeds from sale of investments	2,884,012	0
Net cash provided by (used in) investing activities	1,763,525	(2,574,322)
Changes in cash, cash equivalents and restricted cash	(671,480)	(1,070,100)
Cash, cash equivalents and restricted cash - Beginning of year	2,696,925	3,767,025
Cash, cash equivalents and restricted cash - End of year	\$ 2,025,445	\$ 2,696,925
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 1,566,814	\$ 2,342,762
Restricted cash	458,631	354,163
Total cash, cash equivalents and restricted cash	\$ 2,025,445	\$ 2,696,925
Supplemental schedule of other cash activity:		
Interest paid	\$ 26,082	\$ 0
Supplemental schedule of noncash investing activities:		
Purchase of property and equipment included in accounts payable	\$ 0	\$ 138,850

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 "Agency") is Marin County's largest nonprofit social services provider. Created in 1966 with federal Economic Opportunity Act funds, Community Action Marin's staff of 200 works to alleviate the causes and consequences of poverty as the county's official anti-poverty agency.

The Agency receives a substantial amount of revenue for its programs funded by the United States Department of Health & Human Services (DHHS), the California Department of Education (CDE), and California Department of Social Services (CDSS), and accordingly, operates under the guidelines and regulations of these funding sources.

Dedicated to racial and economic justice, the team assists low-income Marin residents with achieving a quality of life based on self-sufficiency through work to transform systems and respond to urgent as well as long-term needs through the following programs and services:

Children and Family Services

Community Action Marin has provided high-quality early childhood education to the families of Marin for over 30 years. The Agency is the largest provider of subsidized childcare 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 Agency 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 Agency is the county's Head Start and Early Head Start grant recipient, helping to ensure that children ages 0-5 from income-eligible families get a high-quality childhood education and support with health, nutrition, social services, and family development. The Agency ensures family well-being, positive parent child relationships, and nurtures parent connections to peers and community, helping families to be successful life-long learners and contributing members of the society. By braiding federal and state sources of funding, the Agency creates increased fiscal and operating efficiencies and better outcomes in community.

Central Kitchen

The Agency's Central Kitchen prepares daily breakfast, lunch, and snack for children and older adults across all ten of its free and affordable childcare sites and at county-operated senior community centers. The Agency uses fresh ingredients grown in its Production Farm and school gardens to help educate children about healthy eating and active living, providing organic, nutrient-dense food in all of its meals. The kitchen also provides a vital space for select local business owners and entrepreneurs to operate and grow small food service businesses.

Economic Justice

The Agency promotes prosperity and hope through a powerful set of coaching and workforce development programs to foster agency, build community power, and support self-sufficiency of Marin's residents. Bilingual and bicultural coaches partner with clients for household budgeting, rebuilding credit, managing debt, navigating housing, or getting trained for a new career. The team helps people to put dreams within reach and supports access to living-wage jobs, whether through food service apprenticeships, commercial driver's license training, or other pathways. The Agency's free tax prep program provided over 600 people with free tax assistance, returning over \$1M to the community this past year.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Safety Net Services & 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. The Agency's Safety Net Services team helps to keep people out of crisis and onto pathways toward thriving. Across generations, support can help families with children living in the home, veterans, victims of domestic violence, seniors, or disabled adults.

Community Action Marin is also the local administrator of the federally funded Low-Income Home Energy Assistance Program (LIHEAP) and Low-Income Home Water Assistance Program (LIHWAP). The team also acts as a conduit to other energy assistance and residential conservation programs. Reaching over 800 households each year, staff ensure that people get assistance with utility payments, wood and propane home energy costs, and payment of water bills. The Agency also provides housing navigation and supportive housing services in partnership with others in the county focused on a Housing First approach to ending homelessness.

The Agency receives a substantial amount of revenue for its programs funded by the United States Department of Health & Human Services (DHHS), the California Department of Education (CDE), and California Department of Social Services (CDSS), and accordingly, operates under the guidelines and regulations of these funding sources. During the years ended June 30, 2022 and 2021, the Organization received 33% and 29% of total revenue from DHHS, 23% and 30% of total revenue from CDE, and 16% and 0% of total revenue from CDSS.

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 of America.

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 Agency 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 Agency 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.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Net Assets (Continued)

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or may not be met either by actions of the Agency 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 of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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 statement 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 statement of financial position. Investment earnings from the beneficial interest in assets held by the community foundation are included in investment income on the statement of activities.

Grants and Contracts Receivable

The Organization considers the grants and contracts 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.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 Agency 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 Agency 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 \$1,466,179 and \$789,037 as of June 30, 2022 and 2021.

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 statement 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.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

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 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.

Income Taxes

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

The Agency 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 Agency 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 Agency 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. Starting July 1, 2021, the Agency elected to use a 10% de-minimis indirect cost rate.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 Agency 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 Agency's grant awards. During the years ended June 30, 2022 and 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.

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. Management is currently evaluating the impact of this new standard

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 of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2021, from which the summarized financial information was derived.

Reclassifications

Certain program services expenses as previously reported on the 2021 statement of activities have been reclassified to conform to the 2022 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

Community Action Marin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

Subsequent events have been evaluated through December 15, 2022, which is the date the financial statements were available to be issued.

Note 2: Concentration of Credit Risk

The Agency 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 Resources

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:

	2022	2021
Cash and cash equivalents	\$ 1,566,814	\$ 2,342,762
Investments	-	2,238,972
Beneficial interest in assets held by community foundation	2,597,514	3,135,391
Grants and contracts receivable	3,040,106	2,313,164
Total financial assets	7,204,434	10,030,289
Less: Accounts payable	377,273	492,549
Less: Accrued expenses and cash held for fiscal agents	1,767,468	1,573,420
Less: Refundable advances	879,515	2,494,099
Less: board designated net assets	507,539	612,636
Less: Net assets with donor restrictions	1,638,289	2,012,391
Totals	\$ 2,034,350	\$ 2,845,194

The Agency 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.

Community Action Marin

Notes to Financial Statements

Note 4: Restricted Cash

Restricted cash consists of the following as of June 30, 2022 and 2021:

	2022	2021
Season of Sharing fund	\$ 135,702	\$ 287,070
California Department of Education (CDE) reserve	322,929	67,093
Totals	\$ 458,631	\$ 354,163

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, 2022 and 2021:

	2022	2021
Fixed income exchange traded funds	\$ -	\$ 2,238,895
Cash equivalents	-	77
Totals	\$ -	\$ 2,238,972

Investment income consisted of the following for the years ended June 30, 2022 and 2021:

	2022	2021
Interest and dividends	\$ 25,719	\$ 20,061
Net realized and unrealized (losses) gains on investments	(416,980)	657,942
Total Investment (loss) Income	\$ (391,261)	\$ 678,003

Community Action Marin

Notes to Financial Statements

Note 6: Beneficial Interest in Assets Held by Community Foundation

The Agency has established a fund at the Marin Community Foundation for the benefit of the Agency. The foundation holds the assets in a fund and the Agency has the discretionary authority to require funds to be paid to the Agency; therefore, the net assets have been recorded as without donor restrictions. A schedule of activity for the years ended June 30, 2022 and 2021, is as follows:

Balance, July 1, 2020	\$ 2,474,919
Investment earnings, net of fees	660,472
<hr/>	
Balance, June 30, 2021	3,135,391
Donations by the Organization to the fund	500,000
Distributions by the Organization from the fund	(620,000)
Investment losses, net of fees	(417,877)
<hr/>	
Balance, June 30, 2022	\$ 2,597,514

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

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.

Community Action Marin

Notes to Financial Statements

Note 7: Fair Value Measurements (Continued)

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, 2022 and 2021, was as follows:

June 30, 2022	Level 1	Level 2	Level 3	Total Assets at Fair Value
Investments:				
Beneficial interest in assets held by community foundation:				
Community Action Marin fund	\$ -	\$ -	\$ 2,597,514	\$ 2,597,514
Totals	\$ -	\$ -	\$ 2,597,514	\$ 2,597,514

June 30, 2021	Level 1	Level 2	Level 3	Total Assets at Fair value
Investments:				
Beneficial interest in assets held by community foundation:				
Fixed income exchange traded funds	\$ 2,238,895	\$ -	\$ -	\$ 2,238,895
Cash equivalents	77	-	-	77
Community Action Marin fund	-	-	3,135,391	3,135,391
Totals	\$ 2,238,972	\$ -	\$ 3,135,391	\$ 5,374,363

Community Action Marin

Notes to Financial Statements

Note 7: Fair Value Measurements (Continued)

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 Agency'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.

See details of the changes in the Level 3 assets in Note 6.

The Agency 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 and Contracts Receivable

Grants and contracts receivable consist of the following at June 30, 2022 and 2021:

	2022	2021
Energy and housing programs	\$ 104,110	\$ 85,398
Mental health programs	190,334	205,930
Food Justice	71,711	61,526
Child development programs	735,906	1,410,665
Head Start and Early Head Start	1,405,529	-
Economic Justice	19,389	150,000
Other programs	513,127	399,645
Totals	\$ 3,040,106	\$ 2,313,164

Community Action Marin

Notes to Financial Statements

Note 9: Property and Equipment

Property and equipment consists of the following as of June 30, 2022 and 2021:

	2022	2021
Land	\$ 363,030	\$ 363,030
Buildings and improvements	2,376,230	2,376,230
Leasehold improvements	1,245,631	572,298
Equipment	198,413	189,714
Vehicles	82,434	82,434
Construction in progress	-	224,538
Subtotals	4,265,738	3,808,244
Less accumulated depreciation	(2,087,587)	(1,911,821)
Totals	\$ 2,178,151	\$ 1,896,423

Note 10: Accrued Unemployment

The Agency has elected to be self-insured for the purpose of California State Unemployment Insurance. As of June 30, 2022 and 2021, the amount of accrued unemployment liability was \$314,539 and \$308,185, which represents the estimated future claims arising from payroll paid through June 30, 2022 and 2021, respectively. Unemployment claims paid for the years ended June 30, 2022 and 2021 were \$75,903 and \$345,445, respectively.

Note 11: Refundable Advances

Refundable advances consists of the following as of June 30, 2022 and 2021:

	2022	2021
Paycheck Protection Program (PPP)	\$ -	\$ 1,794,790
County rental assistance	250,000	250,000
Community Services Block Grant program	69,279	173,864
Federal Head Start and Early Head Start	-	208,352
State child development programs	363,104	67,093
Rental assistance recovered payments	197,133	-
Totals	\$ 879,516	\$ 2,494,099

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 Agency determined the award was a conditional contribution and applied the policy as described in Note 1. Accordingly, the award was reported as a refundable advance until the conditions were substantially met or explicitly waived.

Community Action Marin

Notes to Financial Statements

Note 11: Refundable Advances (Continued)

The Agency 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 Agency 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 Agency received notification of forgiveness approval in the amount of \$440,812 and the Agency returned the unspent funds to the financial institution.

Note 12: Note Payable

The Agency purchased a modular building for the Head Start and Marin Community Child Development programs in a previous year. To finance the purchase, the Agency 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 building. If the Agency, 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 Agency 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, 2022 and 2021, is as follows:

Balance, July 1, 2020	\$	483,584
Investment earnings allocated to reserve		129,052
Balance, June 30, 2021		612,636
Investment loss allocated to reserve		(105,097)
Balance, June 30, 2022	\$	507,539

Community Action Marin

Notes to Financial Statements

Note 14: Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following programs as of June 30, 2022 and 2021:

	2022	2021
LIHEAP	\$ -	\$ 304
Mental health program	357,650	431,604
Economic Justice	137,308	105,700
Food Justice	192,324	-
Children and family services	662,406	736,644
Season of sharing / Rapid rehousing	233,816	610,674
Other programs	54,785	127,465
Totals	\$ 1,638,289	\$ 2,012,391

During the years ended June 30, 2022 and 2021, net assets with donor restrictions of \$2,405,691 and \$6,353,201 were released from restriction through satisfaction of purpose restrictions.

Note 15: Grant Awards

As of June 30, 2022, the Agency had commitments under various grants of approximately \$767,000. 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 Agency leases various facilities for operation of its programs. The rental expense for the years ended June 30, 2022 and 2021 were \$995,602 and \$867,246.

Future minimum lease payments are as follows:

2023	\$	594,382
2024		23,923
Total	\$	618,305

Community Action Marin

Notes to Financial Statements

Note 17: Contingencies

Federal and State Grant Programs

The Agency 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 Agency. The Agency 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 Agency 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 Agency is currently evaluating this issue and plans to appeal the decisions. The Agency believes it will be successful in appealing these charges, therefore, no liability has been accrued for this matter.

Note 18: Employee Retirement Plan

The Agency 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 Agency. There were no employer contributions to the plan during the year ended June 30, 2021. Effective July 1, 2021, the Agency started matching contributions of 1.5% of employee's deferrals up to 1% of their salary. The employer contributions remitted were \$41,008 for the year ended June 30, 2022.

Note 19: Contributed Nonfinancial Assets

Contributed nonfinancial assets reported on the statements of activities for the years ended June 30, 2022 and 2021 was \$102,285 each year and consisted of donated space. The contributed space is used for operation of the Agency's Head Start/Early Head Start and child development programs. In valuing the contributed space, the Agency estimated the fair market rental value based on certified appraisals. These contributed nonfinancial assets did not have donor-imposed restrictions.

Supplementary Information

Community Action Marin

Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2022

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 Social Services	N053-21-1371-OJ	\$ 348,704
Total Department of Agriculture Expenditures				348,704
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Child Care and Development Fund Cluster				
General Child Care and Development Programs	93.575	California Department of Social Services	CCTR-1144	882,656
Family Child Care Homes	93.575	California Department of Social Services	CFCC-1012	55,467
Total AL #93.575				938,123
General Child Care and Development Programs	93.596	California Department of Social Services	CCTR-1144	425,513
Family Child Care Homes	93.596	California Department of Social Services	CFCC-1012	115,166
Total AL #93.596				540,679
Total Child Care and Development Fund Cluster Expenditures AL #93.575 and #93.596				1,478,802
Low Income Home Energy Assistance	93.568	California Department of Community Services	20U-2569	(2,033)
Low Income Home Energy Assistance	93.568	California Department of Community Services	21B-5020	135,047
Low Income Home Energy Assistance	93.568	California Department of Community Services	21V-5569	17,540
Low Income Home Energy Assistance	93.568	California Department of Community Services	22B-4020	117,644
Total AL #93.568				268,198
COVID-19 Community Services Block Grant	93.569	California Department of Community Services	20F-3663	111,657
Community Services Block Grant	93.569	California Department of Community Services	21F-4024	127,068
Community Services Block Grant Discretionary	93.569	California Department of Community Services	21F-4425	28,250
Community Services Block Grant	93.569	California Department of Community Services	22F-5024	175,561
Total AL #93.569				442,536
Head Start Cluster				
Head Start and Early Head Start	93.600	U.S Department of Health and Human Services	09CH011669-02	5,904,290
COVID-19 Head Start and Early Head Start COVID (P.L. 116-260)	93.600	U.S Department of Health and Human Services	09HE000641-01C5	108,951
COVID-19 Head Start and Early Head Start American Rescue Plan	93.600	U.S Department of Health and Human Services	09HE000641-01C6	300,000
Total Head Start Cluster Expenditures AL #93.600				6,313,241
Total Department of Health and Human Services Expenditures				8,502,777
TOTAL FEDERAL EXPENDITURES				\$ 8,851,481

Community Action Marin

Schedule of Expenditures of Federal and State Awards (Continued)
 Year Ended June 30, 2022

Grantor/Program Title	Federal AL Number	Funding Source/ Pass-through Entity	Grant Number	State Expenditures
STATE OF CALIFORNIA FUNDING				
Child and Adult Care Food Program	N/A	California Department of Social Services	N053-21-1371-OJ	\$ 18,759
General Child Care and Development Programs	N/A	California Department of Social Services	CCTR-1144	\$ 820,299
California State Preschool Program	N/A	California Department of Education	CSP-1284	4,200,064
Family Child Care Homes	N/A	California Department of Social Services	CFCC-1012	340,893
TOTAL STATE EXPENDITURES				\$ 5,380,015

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, 2022. 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, 2022.

Note 4 - Indirect Cost Rate

Community Action Marin has 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 for \$18,809 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, 2022

	Energy Programs	Mental Health Programs	Food Justice Programs	Child Development Programs	Head Start Programs	Economic Justice Programs	Safety Net Programs	Program Services Total	Management and General	Fundraising	Eliminations	2022 Total
Revenues												
Government grants and contracts	\$ 268,198	\$ 1,411,773	\$ 465,329	\$ 6,959,500	\$ 6,563,107	\$ 59,575	\$ 929,333	\$ 16,656,815	\$ 452,536	\$ 0	\$ (366,421)	\$ 16,742,930
Grants income	0	10,000	10,000	461,402	0	434,825	957,325	1,873,552	0	242,212	0	2,115,764
Contributions	0	0	0	0	0	0	34,283	34,283	(4,897)	673,145	0	702,531
Other income	0	0	74,269	0	0	0	19,000	93,269	0	0	0	93,269
Childcare fees	0	0	0	4,344	0	0	0	4,344	0	0	0	4,344
Program service fees	0	0	219,631	0	0	0	0	219,631	0	(219,631)	0	0
Rental income	0	0	0	0	0	0	0	0	116,334	0	0	116,334
In-Kind revenue	0	0	0	0	1,509,371	0	0	1,509,371	0	(1,407,086)	0	102,285
Investment loss	0	0	0	0	0	0	0	0	(391,261)	0	(391,261)	0
Total Revenues	268,198	1,421,773	769,229	7,425,246	8,072,478	494,400	1,939,941	20,391,265	172,712	915,357	(1,993,138)	19,486,196
Expenses												
Salaries	175,207	1,069,405	178,034	4,178,409	3,486,865	259,190	678,519	10,025,629	1,273,869	131,247	0	11,430,745
Payroll taxes	14,175	79,011	13,488	355,915	239,338	18,986	55,117	776,030	84,160	8,281	0	868,471
Employee benefits	12,607	96,534	20,499	506,957	421,977	28,056	63,456	1,150,086	112,379	4,740	0	1,267,205
Client expenses	21,402	97,748	240,532	4,185	370,607	11,718	1,074,566	1,820,758	0	9,853	(366,421)	1,464,190
Professional fees	5,298	81,185	9,929	313,354	273,455	20,678	43,432	747,331	330,534	543,051	0	1,620,916
Contract services	0	308	0	516,187	11,783	4,150	30,048	562,476	37,447	0	0	599,923
Facility costs	0	0	9,580	85,348	103,156	0	0	198,084	(157,781)	0	0	40,303
Occupancy	9,609	33,470	29,298	514,957	315,235	48,349	53,210	1,004,128	80,163	16,347	0	1,100,638
Tools & small equipment	0	0	8,811	13,968	43,628	0	1,442	67,849	5,532	0	0	73,381
Equipment vehicle & maintenance	10,975	17,015	19,675	47,937	20,398	0	25,133	141,133	(25,623)	0	0	115,510
Building repairs & maintenance	0	1,134	98,263	237,394	304,129	0	0	640,920	(197,671)	0	0	443,249
Miscellaneous	712	983	1,455	0	0	0	678	3,828	0	6,817	0	10,645
Program supplies	0	0	45,083	101,288	144,664	205	474	291,714	1,393	342	0	293,449
Insurance	0	12,083	3,042	33,452	27,367	2,920	1,320	80,184	7,664	2,098	0	89,946
Employee development	20	25,276	0	27,070	41,884	349	1,977	96,576	23,758	47	0	120,381
Telephone	1,685	8,716	3,276	60,340	27,778	3,959	4,903	110,657	31,550	635	0	142,842
Travel	0	8,155	5,642	3,982	4,538	621	7,951	30,889	4,803	0	0	35,692
Printing & publications	1,478	0	0	3,073	2,488	646	1,046	8,731	11,680	23,037	0	43,448
Interest expense	0	0	0	0	0	0	0	0	1,388	0	0	1,388
Office supplies	0	7,744	3,722	29,429	17,380	3,221	8,870	70,366	22,986	172	0	93,524
Equipment rental	1,555	0	971	13,731	6,448	1,553	0	24,258	12,648	0	0	36,906
Food service charge	0	0	0	74,223	145,408	0	0	219,631	13,005	(219,631)	0	13,005
Advertising	48	11,003	2,607	40,705	34,218	5,212	5,724	99,517	21,117	38,408	0	159,042
In-kind expenses	0	0	0	0	1,509,371	0	0	1,509,371	0	(1,407,086)	0	102,285
Indirect cost allocation	23,030	135,461	59,420	660,520	500,075	51,454	133,496	1,563,456	(1,552,778)	(10,678)	0	0
Total Expenses before Depreciation	277,801	1,685,231	753,327	7,822,424	8,052,190	461,267	2,191,362	21,243,602	142,223	774,397	(1,993,138)	20,167,084
Depreciation	0	0	16,338	0	0	0	0	16,338	159,428	0	0	175,766
Total Expenses	277,801	1,685,231	769,665	7,822,424	8,052,190	461,267	2,191,362	21,259,940	301,651	774,397	(1,993,138)	20,342,850

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, 2022

	Grant No. 09CH011669						Head Start &
	Head Start*	Head Start T&A	Head Start MCF	Other Grants/ Contracts	Head Start Total	Early Head Start Total	EHS Total
Revenues:							
Government contracts	\$ 3,861,457	\$ 36,378	\$ -	\$ 410,418	\$ 4,308,253	\$ 2,254,854	\$ 6,563,107
Grants income	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Program service fees	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
In-kind revenue	745,756	-	-	102,285	848,041	661,330	1,509,371
Total revenues	<u>4,607,213</u>	<u>36,378</u>	<u>-</u>	<u>512,703</u>	<u>5,156,294</u>	<u>2,916,184</u>	<u>8,072,478</u>
Expenses:							
Salaries	2,230,376	-	-	-	2,230,376	1,256,489	3,486,865
Payroll taxes	152,082	-	-	-	152,082	87,256	239,338
Worker's compensation	59,542	-	-	-	59,542	29,127	88,669
Employee benefits	218,085	-	-	-	218,085	115,223	333,308
Client expenses	210,616	1,500	-	116,544	328,660	41,947	370,607
Professional fees	168,409	108	-	4,000	172,517	100,938	273,455
Contract services	-	9,164	-	-	9,164	2,619	11,783
Facility costs	57,467	-	-	10,367	67,834	35,322	103,156
Occupancy	215,170	-	-	-	215,170	100,065	315,235
Tools and equipment	28,384	-	-	7,686	36,070	7,558	43,628
Equipment & vehicle maintenance	11,351	-	-	-	11,351	9,047	20,398
Building repairs & maintenance	61,201	-	-	198,004	259,205	44,924	304,129
Miscellaneous	(2,863)	-	-	2,271	(592)	592	-
Program supplies	54,424	60	-	23,608	78,092	66,572	144,664
Insurance	17,667	-	-	-	17,667	9,700	27,367
Employee development	1,813	22,375	-	2,830	27,018	14,866	41,884
Telephone	6,983	-	-	-	6,983	20,795	27,778
Travel	2,266	-	-	-	2,266	2,272	4,538
Depreciation	-	-	-	-	-	-	-
Printing & publications	23,673	-	-	-	23,673	13,033	36,706
Interest	-	-	-	-	-	-	-
Office supplies	11,214	-	-	622	11,836	5,544	17,380
Equipment rental	2,924	-	-	-	2,924	3,524	6,448
In-kind expenses	745,756	-	-	102,285	848,041	661,330	1,509,371
Food service charge	39,200	-	-	(114)	39,086	106,322	145,408
Indirect cost allocation	291,473	3,171	-	24,312	318,956	181,119	500,075
Total expenses	<u>4,607,213</u>	<u>36,378</u>	<u>-</u>	<u>492,415</u>	<u>5,136,006</u>	<u>2,916,184</u>	<u>8,052,190</u>
Change in net assets	-	-	-	20,288	20,288	-	20,288
Net assets, beginning of period	(22)	-	(11,185)	(38,559)	(49,766)	12,258	(79,133)
Net assets, end of period	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$ (11,185)</u>	<u>\$ (18,271)</u>	<u>\$ (29,478)</u>	<u>\$ 12,258</u>	<u>\$ (58,845)</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, 2022

	Grant No. 09CH011669				Total
	Early Head Start*	Early Head Start T&A	EHS CalWorks	Other Grants/ Contracts	
Revenues:					
Government contracts	\$ 2,223,880	\$ 30,974	\$ -	\$ -	\$ 2,254,854
Grants income	-	-	-	-	-
Contributions	-	-	-	-	-
Program service fees	-	-	-	-	-
Fundraising	-	-	-	-	-
Other income	-	-	-	-	-
In-kind revenue	661,330	-	-	-	661,330
Total revenues	<u>2,885,210</u>	<u>30,974</u>	<u>-</u>	<u>-</u>	<u>2,916,184</u>
Expenses:					
Salaries	1,256,489	-	-	-	1,256,489
Payroll taxes	87,256	-	-	-	87,256
Worker's compensation	29,127	-	-	-	29,127
Employee benefits	115,223	-	-	-	115,223
Client expenses	41,907	40	-	-	41,947
Professional fees	95,455	5,483	-	-	100,938
Contract services	2,619	-	-	-	2,619
Facility costs	35,322	-	-	-	35,322
Occupancy	100,065	-	-	-	100,065
Tools and equipment	7,558	-	-	-	7,558
Equipment & vehicle maintenance	9,047	-	-	-	9,047
Building Repairs & Maintenance	44,924	-	-	-	44,924
Miscellaneous	592	-	-	-	592
Program supplies	56,866	9,706	-	-	66,572
Insurance	9,700	-	-	-	9,700
Employee development	1,933	12,933	-	-	14,866
Telephone	20,795	-	-	-	20,795
Travel	2,272	-	-	-	2,272
Depreciation	-	-	-	-	-
Printing & publications	13,033	-	-	-	13,033
Interest	-	-	-	-	-
Office supplies	5,544	-	-	-	5,544
Equipment rental	3,524	-	-	-	3,524
In-kind expenses	661,330	-	-	-	661,330
Food service charge	106,322	-	-	-	106,322
Indirect cost allocation	178,307	2,812	-	-	181,119
Total expenses	<u>2,885,210</u>	<u>30,974</u>	<u>-</u>	<u>-</u>	<u>2,916,184</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.

See Independent Auditor's Report.

Community Action Marin
SCHEDULE OF REVENUE AND EXPENSES
HEAD START AND EARLY HEAD START PROGRAM
Grant No. 09CH011669
For the Period July 1, 2021 through June 30, 2022

	Audited Costs*	Audited Costs*	Total Audited Costs*	Total Budgets
	<u>Head Start</u>	<u>Early Head Start</u>	<u>Costs*</u>	<u>Costs*</u>
Revenues:				
U.S. Dept. of Health & Human Services	\$ 4,099,079	\$ 2,214,162	\$ 6,313,241	\$ 6,238,023
Child Care Food Program	209,174	40,692	249,866	250,000
In-kind revenue	<u>848,041</u>	<u>661,330</u>	<u>1,509,371</u>	<u>1,407,086</u>
Total revenues	<u>5,156,294</u>	<u>2,916,184</u>	<u>8,072,478</u>	<u>7,895,109</u>
Expenses:				
Personnel	2,463,104	1,384,381	3,847,485	3,772,429
Fringe benefits	196,981	103,714	300,695	294,829
Travel	29,284	17,138	46,422	45,516
Equipment	50,345	20,129	70,474	69,099
Supplies	101,004	78,193	179,197	175,701
Contractual	181,681	103,557	285,238	279,674
Facilities/construction	531,209	174,276	705,485	691,722
Other	415,401	192,347	607,748	595,892
In-kind expenses	848,041	661,330	1,509,371	1,479,926
Indirect costs	<u>318,956</u>	<u>181,119</u>	<u>500,075</u>	<u>490,320</u>
Total expenses	<u>5,136,006</u>	<u>2,916,184</u>	<u>8,052,190</u>	<u>7,895,109</u>
Revenue over (under) expenses	<u>\$ 20,288</u>	<u>\$ -</u>	<u>\$ 20,288</u>	<u>\$ -</u>

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

See Independent Auditor's Report.

Community Action Marin
COMBINING SCHEDULE OF ACTIVITIES
ENERGY PROGRAM
For the Year Ended June 30, 2022

	LIHEAP 20U-2569 EHA	LIHEAP 21B-5020 EHA	LIHEAP 21V-5569 EHA	LIHEAP 21Z-5569 EHA	LIHEAP 22B-4024 EHA	Other Grants and Contracts	Total
Revenues:							
Government grants	\$ (2,033)	\$ 135,047	\$ 17,540	\$ -	\$ 117,644	\$ -	\$ 268,198
Other income	-	-	-	-	-	-	-
Total revenues	<u>(2,033)</u>	<u>135,047</u>	<u>17,540</u>	<u>-</u>	<u>117,644</u>	<u>-</u>	<u>268,198</u>
Expenses:							
Salaries	138	84,745	14,262	-	90,237	-	189,382
Employee benefits	578	5,963	1,564	-	4,503	-	12,608
Professional Fees	-	4,238	-	-	1,060	-	5,298
ECIP and HEAP payments	-	21,402	-	-	-	-	21,402
Supplies	-	712	-	-	-	-	712
Equipment	-	6,076	-	-	6,454	-	12,530
Communication	62	755	132	-	736	-	1,685
Occupancy	-	5,555	-	-	4,054	-	9,609
Indirect costs	-	11,974	1,583	-	9,474	-	23,031
Program support	-	282	-	-	1,265	-	1,547
Total expenses	<u>778</u>	<u>141,702</u>	<u>17,541</u>	<u>-</u>	<u>117,783</u>	<u>-</u>	<u>277,804</u>
Change in net assets	(2,811)	(6,655)	(1)	-	(139)	-	(9,606)
Net assets, beginning of period	-	-	-	-	-	5,000	5,000
Net assets, end of period	<u>\$ (2,811)</u>	<u>\$ (6,655)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (139)</u>	<u>\$ 5,000</u>	<u>\$ (4,606)</u>

See Independent Auditor's Report.

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 20U-2569 (LIHEAP EHA)
 For the Year Ended June 30, 2022

	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	\$ (2,033)	\$ 61,107		\$ 87,798
Revenue adjustment (deferred)	-	-	-		-
Total revenues	<u>63,140</u>	<u>(2,033)</u>	<u>61,107</u>		<u>87,798</u>
Expenses:					
Assurance 16 costs	<u>13,877</u>	<u>171</u>	<u>14,048</u>	<u>14,048</u>	<u>14,048</u>
Administrative costs	<u>13,877</u>	<u>171</u>	<u>14,048</u>	<u>14,048</u>	<u>14,048</u>
Program support costs (ECIP and HEAP)					
Intake	18,873	232	19,105	19,105	19,105
Outreach	11,795	145	11,940	11,940	11,940
Training and Technical Assistance	4,718	59	4,777	4,777	4,776
General operating expenditures	-	-	-	-	-
Automation supplemental	-	-	-	-	-
Subtotal program support costs	<u>35,386</u>	<u>436</u>	<u>35,822</u>	<u>35,822</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>\$ 778</u>	<u>\$ 63,918</u>	<u>\$ 63,918</u>	<u>\$ 87,798</u>

See Independent Auditor's Report.

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 21B-5020 (LIHEAP EHA)
 For the Year Ended June 30, 2022

	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	\$ 135,047	\$ 191,812		\$ 204,208
Revenue adjustment (deferred)	-	-	-		-
Total revenues	<u>56,765</u>	<u>135,047</u>	<u>191,812</u>		<u>204,208</u>
Expenses:					
Assurance 16 costs	<u>10,880</u>	<u>22,780</u>	<u>33,660</u>	<u>33,660</u>	<u>33,660</u>
Administrative costs	<u>9,235</u>	<u>24,425</u>	<u>33,660</u>	<u>33,660</u>	<u>33,660</u>
Program support costs (ECIP and HEAP)					
Intake	14,747	30,881	45,628	45,628	45,629
Outreach	9,217	19,301	28,518	28,518	28,518
Training and Technical Assistance	3,687	7,720	11,407	11,407	11,407
General operating expenditures	3,149	10,430	13,579	-	-
Automation supplemental	-	4,238	4,238	-	-
Subtotal program support costs	<u>30,800</u>	<u>72,570</u>	<u>103,370</u>	<u>85,553</u>	<u>85,554</u>
Program services costs:					
ECIP Emergency Heating & Cooling Services	-	-	-	-	-
Wood, Propane and Oil (ECIP & HEAP WPO)	5,850	21,927	27,777	40,524	51,334
Subtotal program services costs	<u>5,850</u>	<u>21,927</u>	<u>27,777</u>	<u>40,524</u>	<u>51,334</u>
Total expenses	<u>\$ 56,765</u>	<u>\$ 141,702</u>	<u>\$ 198,467</u>	<u>\$ 193,397</u>	<u>\$ 204,208</u>

See Independent Auditor's Report.

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 21V-5569 (ARPA LIHEAP EHA)
 For the Year Ended June 30, 2022

	8/1/2021 through 6/30/2022	7/1/2022 through 3/31/2023	Total Audited Costs	Total Reported Costs	Total Budgets
Revenues:					
Government grants	\$ 17,540	\$ -	\$ 17,540		\$ 349,397
Revenue adjustment (deferred)	-	-	-		-
Total revenues	<u>17,540</u>	<u>-</u>	<u>17,540</u>		<u>349,397</u>
Expenses:					
Assurance 16 costs	<u>3,833</u>	<u>-</u>	<u>3,833</u>	<u>3,833</u>	<u>50,385</u>
Administrative costs	<u>3,833</u>	<u>-</u>	<u>3,833</u>	<u>3,833</u>	<u>49,080</u>
Program support costs (ECIP and HEAP)					
Intake	5,196	-	5,196	5,196	89,644
Outreach	3,248	-	3,248	3,248	64,653
Training and Technical Assistance	1,299	-	1,299	1,299	18,661
General operating expenditures	132	-	132	132	2,000
Automation supplemental	-	-	-	-	-
Subtotal program support costs	<u>9,875</u>	<u>-</u>	<u>9,875</u>	<u>9,875</u>	<u>174,958</u>
Program services costs:					
ECIP Emergency Heating & Cooling Services	-	-	-	-	74,974
Wood, Propane and Oil (ECIP & HEAP WPO)	-	-	-	-	-
Subtotal program services costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,974</u>
Total expenses	<u>\$ 17,541</u>	<u>\$ -</u>	<u>\$ 17,541</u>	<u>\$ 17,541</u>	<u>\$ 349,397</u>

See Independent Auditor's Report.

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 21Z-9559 (LIHWAPARPA LIHEAP EHA)
 For the Year Ended June 30, 2022

	4/1/2022 through 6/30/2022	7/1/2022 through 8/31/2023	Total Audited Costs	Total Reported Costs	Total Budgets
Revenues:					
Government grants	\$ -	\$ -	\$ -		\$ 114,248
Revenue adjustment (deferred)	-	-	-		-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>		<u>114,248</u>
Expenses:					
Assurance 16 costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administrative costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,453</u>
Program support costs (ECIP and HEAP)					
Intake	-	-	-	-	-
Outreach	-	-	-	-	-
Training and Technical Assistance	-	-	-	-	-
General operating expenditures	-	-	-	-	46,795
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>46,795</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>-</u>
Subtotal program services costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,248</u>

See Independent Auditor's Report.

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 22B-4024 (LIHEAP EHA)
 For the Year Ended June 30, 2022

	11/1/2021 through 6/30/2022	7/1/2022 through 6/30/2023	Total Audited Costs	Total Reported Costs	Total Budgets
Revenues:					
Government grants	\$ 117,644	\$ -	\$ 117,644		\$ 156,141
Revenue adjustment (deferred)	-	-	-		-
Total revenues	<u>117,644</u>	<u>-</u>	<u>117,644</u>		<u>156,141</u>
Expenses:					
Assurance 16 costs	<u>22,944</u>	<u>-</u>	<u>22,944</u>	<u>22,944</u>	<u>25,735</u>
Administrative costs	<u>22,944</u>	<u>-</u>	<u>22,944</u>	<u>22,944</u>	<u>25,735</u>
Program support costs (ECIP and HEAP)					
Intake	31,107	-	31,107	31,107	34,890
Outreach	19,441	-	19,441	19,441	21,806
Training and Technical Assistance	7,779	-	7,779	7,777	8,723
General operating expenditures	-	-	-	-	-
Automation supplemental	-	-	-	-	-
Subtotal program support costs	<u>58,327</u>	<u>-</u>	<u>58,327</u>	<u>58,325</u>	<u>65,419</u>
Program services costs:					
ECIP Emergency Heating & Cooling Services					
Wood, Propane and Oil (ECIP & HEAP WPO)	<u>13,568</u>	<u>-</u>	<u>13,568</u>	<u>13,431</u>	<u>39,252</u>
Subtotal program services costs	<u>13,568</u>	<u>-</u>	<u>13,568</u>	<u>13,431</u>	<u>39,252</u>
Total expenses	<u>\$ 117,783</u>	<u>\$ -</u>	<u>\$ 117,783</u>	<u>\$ 117,644</u>	<u>\$ 156,141</u>

See Independent Auditor's Report.

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 20F-3663 (CSBG CARES)
 For the Year Ended June 30, 2022

	3/27/2020 through 6/30/2021	7/1/2021 through 5/31/2022	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Government grants	\$ 265,400	\$ 111,657	\$ 377,057		\$ 377,057
Other revenue	-	-	-		-
Total revenues	<u>265,400</u>	<u>111,657</u>	<u>377,057</u>		<u>377,057</u>
Expenses:					
Administrative costs:					
Salaries and wages	26,657	35,441	62,098	62,098	59,500
Fringe benefits	4,233	5,628	9,861	9,861	9,448
Operating expenses and equipment	112,361	-	112,361	112,360	102,149
Equipment	33,397	-	33,397	33,397	33,397
Subcontractor services	35,959	401	36,360	36,362	54,728
Other costs	-	-	-	-	-
Subtotal administrative costs	<u>212,607</u>	<u>41,470</u>	<u>254,077</u>	<u>254,078</u>	<u>259,222</u>
Program costs:					
Salaries and wages	45,221	60,120	105,341	105,340	100,934
Fringe benefits	7,572	10,067	17,639	17,639	16,901
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal program costs	<u>52,793</u>	<u>70,187</u>	<u>122,980</u>	<u>122,979</u>	<u>117,835</u>
Total expenses	<u>\$ 265,400</u>	<u>\$ 111,657</u>	<u>\$ 377,057</u>	<u>\$ 377,057</u>	<u>\$ 377,057</u>

See Independent Auditor's Report.

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 21F-4024 (CSBG ADMIN)
 For the Year Ended June 30, 2022

	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	\$ 127,068	\$ 279,911		\$ 279,911
Other revenue	-	-	-		-
Total revenues	<u>152,843</u>	<u>127,068</u>	<u>279,911</u>		<u>279,911</u>
Expenses:					
Administrative costs:					
Salaries and wages	96,132	79,920	176,052	176,052	176,752
Fringe benefits	14,763	12,273	27,036	27,036	26,854
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal administrative costs	<u>110,895</u>	<u>92,193</u>	<u>203,088</u>	<u>203,088</u>	<u>203,606</u>
Program costs:					
Salaries and wages	36,667	30,485	67,152	67,152	66,700
Fringe benefits	5,281	4,390	9,671	9,671	9,605
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal program costs	<u>41,948</u>	<u>34,875</u>	<u>76,823</u>	<u>76,823</u>	<u>76,305</u>
Total expenses	<u>\$ 152,843</u>	<u>\$ 127,068</u>	<u>\$ 279,911</u>	<u>\$ 279,911</u>	<u>\$ 279,911</u>

See Independent Auditor's Report.

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 21F-4425 (CSBG DISCRETIONARY)
 For the Year Ended June 30, 2022

	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	\$ 28,250		\$ 28,250
Other revenue	-	-	-		-
Total revenues	<u>-</u>	<u>28,250</u>	<u>28,250</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	-	23,441	23,441	23,441	23,000
Fringe benefits	-	4,699	4,699	4,699	4,600
Operating expenses and equipment	-	-	-	20	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	110	110	90	650
Subtotal program costs	<u>-</u>	<u>28,250</u>	<u>28,250</u>	<u>28,250</u>	<u>28,250</u>
Total expenses	<u>\$ -</u>	<u>\$ 28,250</u>	<u>\$ 28,250</u>	<u>\$ 28,250</u>	<u>\$ 28,250</u>

See Independent Auditor's Report.

Community Action Marin
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 22F-5024 (CSBG ADMIN)
 For the Year Ended June 30, 2022

	1/1/2022 through 6/30/2022	7/1/2022 through 5/31/2023	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Government grants	\$ 175,561	\$ -	\$ 175,561		\$ 277,112
Other revenue	-	-	-		-
Total revenues	<u>175,561</u>	<u>-</u>	<u>175,561</u>		<u>277,112</u>
Expenses:					
Administrative costs:					
Salaries and wages	122,068	-	122,068	122,068	194,527
Fringe benefits	19,658	-	19,658	19,658	29,179
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal administrative costs	<u>141,726</u>	<u>-</u>	<u>141,726</u>	<u>141,726</u>	<u>223,706</u>
Program costs:					
Salaries and wages	29,142	-	29,142	29,142	46,440
Fringe benefits	4,693	-	4,693	4,693	6,966
Operating expenses and equipment	-	-	-	-	-
Training costs	-	-	-	-	-
Subcontractor services	-	-	-	-	-
Other costs	-	-	-	-	-
Subtotal program costs	<u>33,835</u>	<u>-</u>	<u>33,835</u>	<u>33,835</u>	<u>53,406</u>
Total expenses	<u>\$ 175,561</u>	<u>\$ -</u>	<u>\$ 175,561</u>	<u>\$ 175,561</u>	<u>\$ 277,112</u>

See Independent Auditor's Report.

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 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 (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 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, 2022.

Report on 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 the 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 were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on 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*.

Community Action Marin's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Community Action Marin's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Community Action Marin's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 the Community Action Marin's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Wipfli LLP
Madison, Wisconsin

December 15, 2022

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

Opinion on the Major Federal Program

We have audited Community Action Marin's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, that could have a direct and material effect on Community Action Marin's major federal program for the year ended June 30, 2022. 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.

In our opinion, Community Action Marin's 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, 2022.

Basis for Opinion on the Major Federal Program

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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Action Marin and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Community Action Marin's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Action Marin's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community Action Marin's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community Action Marin's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedure 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 2022-001. Our opinion on the major federal program is not modified with respect this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Community Action Marin's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Community Action Marin's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Community Action Marin's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Community Action Marin's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP
Madison, Wisconsin

December 15, 2022

Community Action Marin

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
 Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes No

Identification of major federal programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

Community Action Marin

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2022

Section II - Financial Statement Findings

Finding 2022-001: Internal Controls Over Financial Reporting

Condition: During the audit, Wipfli LLP noted that there were instances where there were no documented reviews of reconciliation's or other monthly activity by management in accordance with policies and procedures established by Community Action Marin. Observed through the following testing:

- ◆ No documentation of review of June 2022 bank reconciliation's
- ◆ No documented review or discussion regarding the June 2022 accounts payable listing being reconciled to the general ledger balance.
- ◆ Transactions from the May 2022 credit card statement did not have the required signatures on the respective check request transmittal forms.

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 in place during this timeframe due to transitions in the fiscal department leading to no fiscal manager or chief financial officer being employed by Community Action Marin.

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

Recommendation: We recommend Community Action Marin implement mitigating controls to ensure that there are back up review processes established in cases of staffing transition.

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

Community Action Marin

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2022

Section III – Federal Award Findings and Questioned Costs

Finding 2022-002: Reporting

Department of Health and Human Services - AL #93.600 Head Start Cluster

Grant	Funding Source	Grant Period
Head Start #09CH011669-01	Department of Health and Human Services	07/01/2020 - 06/30/2021
Head Start #09CH011669-02	Department of Health and Human Services	07/01/2021 - 06/30/2022

Questioned costs: None

How the questioned costs were computed: N/A

Condition: During the audit, Wipfli LLP observed that the SF429A for the 09CH011669-01 grant was due on July 30, 2021 and was not filed until August 4, 2021. In addition, the related SF-429A for the 09CH011669-02 grant was submitted on October 31, 2022, when it was due July 30, 2022.

Criteria: Section 75.341 Financial Reporting of 45 CFR Part 75 states that financial reports must be submitted with the frequency required by the terms and conditions of the Federal Award. Head Start Program Instruction ACF-PI-HS-04 indicates the due dates for each budget period and what is required to be included in Box 12 – Remarks on the final Federal Financial Report.

Cause: Community Action Marin did not file the required financial reports for the above grants in a timely manner in part due to transitions in the fiscal department.

Effect: As a result of the matters noted above, Community Action Marin was not in compliance with the reporting standard due to a significant deficiency in internal controls.

Recommendation: We recommend Community Action Marin implement additional controls over reporting including, but not limited to, training staff on the Head Start reporting deadlines, to be in compliance with reporting requirements and deadlines.

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

Section IV – Summary Schedule of Prior Year Findings

Finding 2021-001: Material Adjusting Journal Entries

Current Year Status: No journal entries were proposed during the audit and as such this finding is considered resolved.