

NORTH MARIN COMMUNITY SERVICES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Marin Community Services
Novato, California

Report on the Financial Statements

We have audited the accompanying financial statements of North Marin Community Services (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Goranson and Associates, Inc.

717 College Avenue, First Floor, Santa Rosa, CA 95404 Phone: 707/542-1256 Fax 707/978-3090

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Marin Community Services as of June 30, 2019, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information in pages 16 through 53 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in conformity with the *CDE Audit Guide* issued by the California Department of Education; and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2019, on our consideration of North Marin Community Services' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Marin Community Services' internal control over financial reporting and compliance.

Goranson and Associates, Inc.

September 25, 2019
Santa Rosa, CA

NORTH MARIN COMMUNITY SERVICES
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Without donor restriction	With donor restriction	Total
ASSETS			
Cash	\$ 284,020	\$ 829,427	\$ 1,113,447
Receivables and prepaid expenses	202,526	457,597	660,123
Unemployment Trust Reserve	60,386		60,386
Investments	3,693,758	-	3,693,758
Property and equipment, net	577,740	-	577,740
Government-owned assets	-	105,025	105,025
Total assets	\$ 4,818,430	\$ 1,392,049	6,210,479
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts payable and accrued expenses	\$ 143,652		\$ 143,652
Accrued personal time off	139,610		139,610
Deferred revenue	24,307		24,307
Unemployment Trust Reserve	60,386		60,386
In lieu fee payable	35,000		35,000
Total liabilities	402,955		402,955
NET ASSETS:			
Without donor restriction:			
Board-designated:			
Investment fund	3,693,758		3,693,758
Total designated funds	3,693,758		3,693,758
Undesignated funds	721,717		721,717
Total unrestricted net assets	4,415,475		4,415,475
Government-owned assets	-	\$ 105,025	105,025
With donor restriction	-	1,287,024	1,287,024
Total net assets	4,415,475	1,392,049	5,807,524
Total liabilities and net assets	\$ 4,818,430	\$ 1,392,049	\$ 6,210,479

The accompanying notes are an integral part of these financial statements

NORTH MARIN COMMUNITY SERVICES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Without donor restriction	With donor restriction	Total
SUPPORT:			
Grants	\$ 827,642	\$ 986,028	\$ 1,813,670
Contributions	325,502	180,708	506,210
State apportionments	406,608	-	406,608
Contracts	525,330	-	525,330
In-kind contributions	355,071	-	355,071
Legacy circle	114,099	-	114,099
Total support	<u>2,554,252</u>	<u>1,166,736</u>	<u>3,720,988</u>
REVENUE:			
Program service fees	875,191		875,191
Gain on sale of investments	39,155		39,155
Unrealized gain (loss) on investments	90,399		90,399
Investment income	71,161		71,161
Special events & fundraising	340	52,091	52,431
Rental & other income	80,706	-	80,706
Total revenue	<u>1,156,952</u>	<u>52,091</u>	<u>1,209,043</u>
Net assets released from restrictions	411,030	(411,030)	-
Total support and revenue	<u>4,122,234</u>	<u>807,797</u>	<u>4,930,031</u>
EXPENSES:			
Program Services:			
Child Development	1,315,788		1,315,788
Health & Wellness	601,710		601,710
Family & Community Eng	1,219,541		1,219,541
Total program expenses	<u>3,137,039</u>		<u>3,137,039</u>
Support Services:			
General administration & plant	632,823		632,823
Fund development	269,221		269,221
Total support services	<u>902,044</u>		<u>902,044</u>
Total expenses	<u>4,039,083</u>		<u>4,039,083</u>
CHANGE IN OPERATING NET ASSETS	<u>83,151</u>		<u>890,948</u>
CHANGE IN NET ASSETS	83,151	807,797	890,948
Net Assets, beginning of year	4,332,324	595,220	4,927,544
Government assets disposed	-	(10,968)	(10,968)
Net Assets, end of the year	<u>\$ 4,415,475</u>	<u>\$ 1,392,049</u>	<u>\$ 5,807,524</u>

The accompanying notes are an integral part of these financial statements

NORTH MARIN COMMUNITY SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	PROGRAM SERVICES				SUPPORTING SERVICES			
	Child Development	Health & Wellness	Family & Community Engagement	Total Programs	General Admin & Plant	Fund Development	Total Support	Total
Salaries	\$ 849,597	\$ 390,124	\$ 413,086	\$ 1,652,807	\$ 394,781	\$ 170,582	\$ 565,363	\$ 2,218,170
Payroll taxes	62,866	29,024	30,149	122,039	27,816	10,690	38,506	160,545
Employee benefits	93,154	30,608	37,372	161,134	46,468	9,482	55,950	217,084
Professional Services	35,767	46,435	46,854	129,056	57,296	23,891	81,187	210,243
Computer & Tech Support	21,411	16,049	10,180	47,640	5,874	8,123	13,997	61,637
Repairs and Maintenance	10,751	4,264	3,767	18,782	5,632	803	6,435	25,217
Insurance	26,280	10,583	9,353	46,216	6,813	1,990	8,803	55,019
Occupancy	30,881	12,433	10,990	54,304	8,006	2,338	10,344	64,648
Telephone	8,870	3,713	3,512	16,095	3,144	743	3,887	19,982
Postage & Printing	3,879	2,187	1,549	7,615	1,251	11,118	12,369	19,984
Supplies	32,755	8,664	8,154	49,573	7,516	4,422	11,938	61,511
Food Supplies	44,470	1,441	3,113	49,024	2,276	6,850	9,126	58,150
Travel & Transportation	22,355	3,094	6,717	32,166	1,011	847	1,858	34,024
Advertising & Marketing	795	1,907	124	2,826	114	1,043	1,157	3,983
Equipment & Rental	4,822	6,230	4,220	15,272	8,593	2,559	11,152	26,424
Dues & Fees, Subscriptions & Prof Dev	17,267	3,016	1,273	21,556	41,841	1,191	43,032	64,588
Direct Client Assistance	-	-	250,074	250,074	-	-	-	250,074
Other Operating Expenses	732	11,029	6,211	17,972	1,846	8,367	10,213	28,185
Food in-Kind	-	-	355,071	355,071	-	-	-	355,071
Subtotal	<u>1,266,652</u>	<u>580,801</u>	<u>1,201,769</u>	<u>3,049,222</u>	<u>620,278</u>	<u>265,039</u>	<u>885,317</u>	<u>3,934,539</u>
Depreciation	49,136	20,909	17,772	87,817	12,545	4,182	16,727	104,544
Total expenses	<u>\$ 1,315,788</u>	<u>\$ 601,710</u>	<u>\$ 1,219,541</u>	<u>\$ 3,137,039</u>	<u>\$ 632,823</u>	<u>\$ 269,221</u>	<u>\$ 902,044</u>	<u>\$ 4,039,083</u>

The accompanying notes are an integral part of these financial statements

NORTH MARIN COMMUNITY SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 890,948
Adjustment to reconcile increase in net assets to net cash provided by operations:	
Depreciation	104,544
Gain on sale of investments	(39,155)
Unrealized gain on investments	(90,399)
Decrease in receivables and prepaids	(484,260)
Increase in:	
Accounts payable and accruals	68,482
Deferred revenue	(3,898)
Cash used by operating activities	<u>446,262</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of investment	592,531
Purchase of investments	(646,935)
Purchase of fixed assets	(114,446)
Cash provided by investing activities	<u>(168,850)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on long term note payable	<u>(26,748)</u>
NET INCREASE IN CASH	250,664
CASH, BEGINNING OF THE YEAR	<u>862,783</u>
CASH, END OF THE YEAR	<u><u>\$ 1,113,447</u></u>

The accompanying notes are an integral part of these financial statements

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 ORGANIZATION

North Marin Community Services (Organization) was incorporated in 1976 as a nonprofit corporation under the laws of the State of California to provide services to youth, adults, and families primarily in northern Marin County, California. The Organization's former name was Novato Youth Center, and through a merger with Novato Human Needs Center; it was renamed to North Marin Community Services on January 1, 2018. These organizations each had a 46-year history of serving in-need populations and now, stronger together, they provide more depth and breadth of services to their clients. The Organization's mission is to empower youth, adults, and families in our diverse community to achieve well-being, growth, and success; the vision is a strong community with opportunities for all. Through the merger, the Organization grew to now serving 6,008 people annually through a multi-generational continuum of services, from infants to seniors, offered in their two locations in Novato (680 Wilson Ave, 1907 Novato Blvd), on Novato Unified School District campuses, at the Novato Teen Clinic (a partnership with Marin Community Clinics), and in the community. The Organization is a comprehensive human service organization that provides educational, enrichment, and support services through three program areas: Child Development, Health and Wellness, and Family and Community Engagement. The Organization continuously strives to improve the effectiveness of their programs. The Organization evaluates these programs throughout the year, gathering qualitative and quantitative data and analyzing that data against both process and outcome measures. In striving for continuous improvement, the Organization sets yearly goals that coincide with their three-year strategic plan and participates in external evaluations when requested. The Organization also listens to the feedback of those they serve and who are affected by the programs, and regularly administers satisfaction surveys.

The Organization is funded from diverse sources including program fees, government grants and contracts, foundations grants and donor-advised funds, and individual, business and service club donations. Through the Organization, even more children, adults and families in-need have the support they need to be successful at home, at school, and in life - lighting a pathway for brighter futures.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The Organization reports information regarding its financial position and activities on an accrual basis according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net assets without donor restriction – Net assets that are not subject to donor-imposed restrictions. These also may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restriction – Net assets that are subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations or that become net assets without donor restriction at the date specified by the donor.

Net assets released from donor restriction – Net assets with donor restriction are “released” to net assets without donor restriction when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

Other Basis of Presentation Policies – Revenues or support are reported as increases in unrestricted net assets unless subject to donor-imposed restrictions. If temporary restrictions are fulfilled in the same time period the revenue or support is received, the Organization reports the revenue or support as unrestricted. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless restricted by explicit donor stipulation or by law.

Cash and Cash Equivalents – Cash equivalents consist primarily of money market accounts and other investments with an original maturity of 90 days or less. The Organization maintains its cash balances in one finance institution. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2019 the Organization’s uninsured cash balances total \$862,297.

Investments – Investments are made up of pooled expendable funds held by Marin Community Foundation, stocks, mutual funds, treasury funds and certificates of deposits and are reported at their fair values in the statement of financial position. The fair value of the equities securities are based upon quoted prices in active markets (Level 1 measurements). Realized and unrealized gains and losses are included in the change in net assets and are included in the statement of activities as net realized and unrealized gains on investments.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair Value Measures – The Organization reports its fair value measures by using a fair value hierarchy defined by generally accepted accounting principles (GAAP) that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the hierarchy gives the highest ranking fair values determined by quoted prices for similar assets or liabilities in an active market (Level 2) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

The three level of the fair value hierarchy under GAAP are:

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

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices for valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (inputs are supported by little or no market activity).

Unemployment Insurance Trust – The Organization is self-insured for their unemployment claims. A third-party administrator maintains the account. The Organization pays into the account quarterly and unemployment claims are paid from the account. The cash is available to the Organization at any time.

Accounts and Grants Receivable – Accounts and grants receivable are made up of family fees, contract income, grant income, and other program fees due to the Organization. The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts do become uncollectible, they are charged to operations when the determination is made.

Property and equipment – The Organization records purchased property and equipment at cost and donated fixed assets are recorded at fair value at the date received. Assets purchased with government grant or contract funds are subject to certain restrictions for which depreciation may not be claimed against child development contracts. Assets purchased with government funds remain the property of the government for the life of the asset. The Organization holds these assets in trust for the government and, therefore, the assets have been recorded on the statement of financial position. Purchases of those assets are recorded as expenses of the appropriate government program. Assets purchased with non-governmental funds are depreciated using the straight-line method over their estimated useful lives of the respective assets. Estimated useful lives range from, three to forty years.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred revenue – Deferred revenue is made up of monies received in advance of the revenues being earned for program fees.

Income Taxes – The Organization is exempt from Federal and State Income taxes under Internal Revenue Code Section 501(c)(3) and California Franchise Tax Board Code Section 23701d. Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Internal Revenue Service has determined the Organization is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

Management of the Organization considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the Organization's status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. The Organization's tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services.

Allocation Methodology – The Center allocates its expenses on a functional basis among its' various programs, administrative, and fundraising functions. Expenses that can be identified to a specific program, administrative, or fundraising function are directly recorded to the appropriate function. Expenses that are common to more than one function are recorded to a shared cost pool, and then are allocated to the related functions based on full-time equivalents (FTE) as part of the month end close.

Personnel costs are posted both directly and as part of the shared cost pool and are allocated based on FTE's. Shared common costs are usually more fixed and less controllable than direct costs. They are less specific to each area but are related to the Center function as a whole. Some examples of shared costs are copier usage, utilities, telephone, consultant fees, general liability insurance, janitorial, general printing costs, office supplies.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Allocation Methodology, continued – A shared cost pool worksheet is maintained to calculate an allocation ratio based on both FTE and direct personnel costs for all employees by function. This is approved by the CEO twice a year and presented to the auditors at year end.

Donated Services and Items – Many people have contributed significant amounts of time to the activities of the Organization without compensation. The financial statements do not reflect the value of those contributed services and items because, although clearly substantial, no reliable basis exists for determining an appropriate valuation. The current in kind income and expense valued is related to the food pantry donations.

NOTE 3 LIQUIDITY

The following reflects the Organization's financial assets as of June 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. To manage the liquidity needs of the Organization, the Organization maintains a financial asset balance large enough to carry operations and emergency cash flow needs for one year. The board designated investment fund can be undesignated at any time with a board vote. Investments are managed under an investment fund policy with a spending rule to support operations, deferred maintenance, IT/IS, and long-term sustainability.

Financial assets at year end	
Cash and cash equivalents	\$ 1,113,447
Accounts receivable	660,123
Investments	<u>3,693,758</u>
Total financial assets	5,467,328
Less those unavailable for general expenditures within one year due to:	
Donor restricted funds (by time or purpose)	(1,287,024)
Board designated investment fund	<u>(3,693,758)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 486,546</u>

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 FAIR VALUE MEASUREMENTS AND INVESTMENTS

The following table presents the assets and liabilities recognized in the accompanying statements of financial position that are measured at fair value on a recurring basis and the level within the fair value hierarchy in which those fair value measurements fall at June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
US Treasuries	\$ 86,898		\$ 86,898
Bond Funds	252,951		252,951
Equity Funds	95,287		95,287
Mutual Funds	892,319		892,319
Pooled investments	-	\$ 1,146,882	1,146,882
Exchange Traded funds	1,042,620	-	1,042,620
Cash	176,801	-	176,801
Total	<u>\$ 2,546,876</u>	<u>\$ 1,146,882</u>	<u>\$ 3,693,758</u>

Investment earnings are as follows for the year ended June 30, 2019:

Interest and dividend income	\$ 71,161
Net realized gains (losses)	39,155
Net unrealized gains (losses)	90,399
Total investment return	<u>\$ 200,715</u>

NOTE 5 PLANT AND EQUIPMENT

At June 30, 2019 the fixed assets account group consisted of:

	<u>Agency Owned</u>	<u>Government Owned</u>
Land and improvements	\$ 474,350	
Buildings and improvements	2,965,542	\$ 105,025
Annex	29,986	-
Vehicle	314,528	-
Equipment	141,917	-
Furniture and fixtures	149,148	-
	<u>4,075,471</u>	<u>105,025</u>
Accumulated depreciation	<u>(3,497,731)</u>	-
Net plant and equipment	<u>\$ 577,740</u>	<u>\$ 105,025</u>

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 ACCUMULATED PAID TIME OFF

Accumulated unpaid personal time off benefits are recognized as liabilities of the Organization. The value of accumulated personal time off at June 30, 2019 is \$139,610.

NOTE 7 LINE OF CREDIT

The Organization has a line of credit with a bank, which provides for total borrowings of \$150,000. The note is collateralized by substantially all of the Organization's assets. The note bears interest at the prime rate (5.5 percent per annum at June 30, 2019) plus an additional 0.5% per annum. Interest payments on the outstanding principal balance are due monthly. All outstanding principal and accrued interest is due at maturity. The line of credit matures December 15, 2019. The Organization had no borrowings under the line as of June 30, 2019.

NOTE 8 IN LIEU FEE PAYABLE

As part of its 1988 property improvements, the Organization entered into an agreement with the City of Novato for an "in lieu fee" of \$35,000 for the cost of moving the electric, telephone and cable television utilities underground fronting the Organization' property. The entire amount, plus annually compounded cost of living increases, is due upon sale of the property. The agreement is secured by a lien against the property.

NOTE 9 IN KIND DONATIONS

The Organization receives in-kind donations in the form of food contributions. The donor valued the food at \$355,071 retail value for the year ended June 30, 2019.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS

At June 30, 2019, the Organization's net assets with temporary donor restrictions consisted of the following program-restricted and time-restricted grants and contributions:

Operating funds	\$ 249,819
Child Development	254,414
Health and wellness	370,030
Family and community engagement	<u>412,761</u>
Total cash	<u>1,287,024</u>
Government owned assets	<u>105,025</u>
Total net assets with donor restriction	<u>\$ 1,392,049</u>

A major portion of the net assets with donor restrictions is due to multiyear grants received during the year ended June 30, 2019.

NOTE 11 EMPLOYEE BENEFIT PLAN

The Organization has a defined 403b contribution plan open to all employees. Under the plan, the Organization could contribute up to a five percent match to employees upon commencement of qualifying employment and vesting is after two years. Qualifying employment is defined as more than 1,040 hours per year. The contribution is a board decision made as part of the budget process. In fiscal year 2019, the Organization did not contribute to the plan. In fiscal year 2019, the Organization contributed up to 2 percent match to the 403b retirement account.

NOTE 12 CONTINGENCIES

The Organization receives support from the state government equal to eight percent of total revenue. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 CHANGE IN ACCOUNTING PRINCIPLE

The financial statements have been changed to adopt ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. It also provides a framework for determining whether a contribution is conditional or unconditional which will impact the timing of revenue recognition. This change has been applied to both the current year and the prior year summarized information.

NOTE 14 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 25, 2019, the date the financial statements were available to be issued, and determined that there were no events occurring subsequent to June 30, 2019 that would have a material impact on the Organization's results of operations or financial position.

SUPPLEMENTAL INFORMATION

NORTH MARIN COMMUNITY SERVICES
SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

GRANTOR	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	REVENUE AMOUNT			EXPENDITURES	
			FEDERAL	STATE	TOTAL	FEDERAL	STATE
U.S. Department of Agriculture							
<i>Passed through the California Department of Education:</i>							
Child Care Food Program	10.558	2T-T266-00	37,558		\$ 37,558	37,558	
U.S. Department of Health and Human Services:							
<i>Passed through the California Department of Education:</i>							
Child Development Programs	93.575/93.596	CCTR-8139	77,897	\$ 140,242	218,139	77,897	\$ 804,323
Child Development Programs	93.575/93.596	CSPP-8285	11,387	57,838	69,225	11,387	360,407
			<u>126,842</u>	<u>198,080</u>	<u>324,922</u>	<u>126,842</u>	<u>1,164,730</u>
Child Development Programs	(a)	CCTR-8136	-	90,257	90,257	-	115,840
U.S. Department of Housing and Urban Development							
<i>Passed through the County of Marin</i>							
Community Development Block Grant	14.218		22,677		22,677	22,677	
Community Development Block Grant	14.218	N/A	15,000	-	15,000	15,000	-
			<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total Federal and State			<u>\$ 164,519</u>	<u>\$ 288,337</u>	<u>\$ 452,856</u>	<u>\$ 164,519</u>	<u>\$ 1,280,570</u>

(a) North Marin Community Services operated this contract for Community Action Marin, which has a direct contract with CDE.

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	CCTR-8139	CSPP-8285	Subcontract CCTR-8136	Total CDE Contracts	Non-CDE Programs	Total
Revenue and Support:						
Government contracts:						
Childcare programs	\$ 212,785	\$ 66,007	\$ 90,257	\$ 369,049		\$ 369,049
Childcare food program	28,661	4,955	3,942	37,558		37,558
Total Government Contracts	<u>241,446</u>	<u>70,962</u>	<u>94,199</u>	<u>406,607</u>		<u>406,607</u>
Other revenue and support:						
Family fees - certified children	25,121	1,701	4,127	30,949		30,949
Family fees - non-certified children	352,840	220,882	-	573,722	\$ 270,520	844,242
Grants and United Way	54,952	21,292	-	76,244	1,827,683	1,903,927
Contributions	32,866	11,724	-	44,590	461,620	506,210
Contracts	-	-	-	-	435,073	435,073
Special Events and fundraising	-	-	-	-	52,431	52,431
Investment income	-	-	-	-	71,161	71,161
Gain on sale of investments	-	-	-	-	39,155	39,155
Unrealized gain on investments	-	-	-	-	90,399	90,399
Other revenue	-	-	-	-	194,805	194,805
Total revenue and support	<u>707,225</u>	<u>326,561</u>	<u>98,326</u>	<u>1,132,112</u>	<u>3,442,847</u>	<u>4,574,959</u>
Expenses:						
Salaries	544,569	233,441	74,683	852,693	1,365,477	2,218,170
Taxes and benefits	93,418	53,995	12,005	159,418	218,211	377,629
Instructional materials and supplies	84,780	29,710	11,968	126,458	61,775	188,233
Repairs and maintenance	-	-	-	-	25,216	25,216
Travel and conferences	-	-	-	-	34,024	34,024
Insurance	-	-	-	-	55,020	55,020
Other operating services/expenses	132,850	46,984	14,940	194,774	486,402	681,176
Depreciation expense	26,603	7,664	2,244	36,511	68,033	104,544
Total expenses	<u>882,220</u>	<u>371,794</u>	<u>115,840</u>	<u>1,369,854</u>	<u>2,314,158</u>	<u>3,684,012</u>
Change in net assets	<u>\$ (174,995)</u>	<u>\$ (45,233)</u>	<u>\$ (17,514)</u>	<u>\$ (237,742)</u>	<u>\$ 1,128,689</u>	<u>\$ 890,947</u>

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CCTR-8139</u>	<u>CSPP-8285</u>	CAM <u>CCTR-8136</u>	<u>Total</u>
1000 CERTIFIED PERSONNEL SALARIES	\$ 206,067	\$ 140,470	\$ 44,477	\$ 391,014
2000 CLASSIFIED PERSONNEL SALARIES	338,502	92,971	30,206	461,679
3000 EMPLOYEE BENEFITS	93,418	53,995	12,005	159,418
4000 BOOKS, SUPPLIES, EQUIPMENT REPLACEMENT	84,780	29,710	11,968	126,458
5000 CONTRACTED SERVICES AND OTHER OPERATING EXPENSES	132,850	46,984	14,940	194,774
Depreciation expense	26,603	7,664	2,244	36,511
Start up costs	-	-	-	-
6000 CAPITAL OUTLAY				
6100 Other approved capital outlay	-	-	-	-
Total expenses claimed for reimbursement	<u>\$ 882,220</u>	<u>\$ 371,794</u>	<u>\$ 115,840</u>	<u>\$ 1,369,854</u>

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
SCHEDULE OF REIMBURSABLE EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 2019

Unit Cost Under \$7,500 Per Item:

None

Unit Cost Over \$7,500 Per Item
With Prior Written Approval:

None

Unit Cost Over \$7,500 Per Item
With Prior Written Approval:

None

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
SCHEDULE OF REIMBURSABLE ADMINISTRATIVE EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2019

	CDE		CAM	Total
	CCTR 8139	CSPP 8285	CCTR 8136	
Salaries and wages	\$ 116,765	\$ 44,160	\$ 9,818	\$ 170,743
Fringe and payroll taxes	23,393	8,847	1,967	34,207
Supplies	2,266	857	191	3,314
Telephone	930	352	78	1,360
Professional services	14,247	5,388	1,198	20,833
Insurance	2,015	762	170	2,947
Other operating expenses	19,485	10,473	2,329	32,287
Total	<u>\$ 179,101</u>	<u>\$ 70,839</u>	<u>\$ 15,751</u>	<u>\$ 265,691</u>

See notes to supplemental information

AUDITED ATTENDANCE AND FISCAL REPORTS

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS

A U D 8501 Page 1 of 9 (06/19)

Fiscal Year Ending June 30, 2019

Contract Number CSPP 8285

Vendor Code T266

Full Name of Contractor **North Marin Community Services**

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Three Years and Older Full-time-plus	0		0	1.1800	0
Three Years and Older Full-time	1,361		1,361	1.0000	1,361
Three Years and Older Three-quarters-time	23		23	0.7500	17.25
Three Years and Older One-half-time	39		39	0.6193	24.1527
Exceptional Needs Full-time-plus	0		0	1.6166	0
Exceptional Needs Full-time	0		0	1.3700	0
Exceptional Needs Three-quarters-time	0		0	1.0275	0
Exceptional Needs One-half-time	0		0	0.6193	0
Limited and Non-English Proficient Full-time-plus	0		0	1.2980	0
Limited and Non-English Proficient Full-time	0		0	1.1000	0
Limited and Non-English Proficient Three-quarters-time	0		0	0.8250	0
Limited and Non-English Proficient One-half-time	0		0	0.6193	0

Fiscal Year Ending	June 30, 2019	
Contract Number	CSPP	8285
Vendor Code	T266	

Full Name of Contractor North Marin Community Services

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
At Risk of Abuse or Neglect Full-time-plus	0		0	1.2980	0
At Risk of Abuse or Neglect Full-time	0		0	1.1000	0
At Risk of Abuse or Neglect Three-quarters-time	0		0	0.8250	0
At Risk of Abuse or Neglect One-half-time	0		0	0.6193	0
Severely Disabled Full-time-plus	0		0	2.0237	0
Severely Disabled Full-time	0		0	1.7150	0
Severely Disabled Three-quarters-time	0		0	1.2863	0
Severely Disabled One-half-time	0		0	0.6193	0
TOTAL DAYS OF ENROLLMENT	1,423		1,423	N/A	1,402.4027
DAYS OF OPERATION	248		248	N/A	N/A
DAYS OF ATTENDANCE	1,423		1,423	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-5) and continue to Revenue Section on page 6.

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Toddlers (18 up to 36 months) Full-time-plus	0		0	1.8880	0
Toddlers (18 up to 36 months) Full-time	0		0	1.6000	0
Toddlers (18 up to 36 months) Three-quarters-time	0 _{Text}		0	1.2000	0
Toddlers (18 up to 36 months) One-half-time	0		0	0.6193	0
Three Years and Older Full-time-plus	42		42	1.1800	49.56
Three Years and Older Full-time	3,670		3,670	1.0000	3,670
Three Years and Older Three-quarters-time	180		180	0.7500	135
Three Years and Older One-half-time	0		0	0.6193	0
Exceptional Needs Full-time-plus	0		0	1.6166	0
Exceptional Needs Full-time	0		0	1.3700	0
Exceptional Needs Three-quarters-time	0		0	1.0275	0
Exceptional Needs One-half-time	0		0	0.6193	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS

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Fiscal Year Ending June 30, 2019

Contract Number CSPP 8285

Vendor Code T266

Full Name of Contractor **North Marin Community Services**

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Limited and Non-English Proficient Full-time-plus	0		0	1.2980	0
Limited and Non-English Proficient Full-time	0		0	1.1000	0
Limited and Non-English Proficient Three-quarters-time	0		0	0.8250	0
Limited and Non-English Proficient One-half-time	0		0	0.6193	0
At Risk of Abuse or Neglect Full-time-plus	0		0	1.2980	0
At Risk of Abuse or Neglect Full-time	0		0	1.1000	0
At Risk of Abuse or Neglect Three-quarters-time	0		0	0.8250	0
At Risk of Abuse or Neglect One-half-time	0		0	0.6193	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS

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Fiscal Year Ending

June 30, 2019

Contract Number

CSPP

8285

Vendor Code

T266

Full Name of Contractor North Marin Community Services

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Severely Disabled Full-time-plus	0		0	2.0237	0
Severely Disabled Full-time	0		0	1.7150	0
Severely Disabled Three-quarters-time	0		0	1.2863	0
Severely Disabled One-half-time	0		0	0.6193	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	3,892		3,892	N/A	3,854.56

Full Name of Contractor North Marin Community Services

Section 3 - Revenue	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs	4,955		4,955
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:	0		0
Restricted Income - Subtotal	4,955		4,955
Transfer from Reserve - General	0		0
Transfer from Reserve - Professional Development	0		0
Transfer from Reserve Total	0		0
Family Fees for Certified Children	1,701		1,701
Interest Earned on Child Development Apportionment Payments	0		0
Unrestricted Income: Fees for Non-Certified Children	220,882		220,882
Unrestricted Income: Head Start	0		0
Unrestricted Income - Other:	33,016		33,016
Total Revenue	260,554		260,554

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS

Fiscal Year Ending
 Contract Number
 Vendor Code

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Full Name of Contractor

Section 4 - Reimbursable Expenses	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)	0		0
1000 Certificated Salaries	140,470		140,470
2000 Classified Salaries	92,971		92,971
3000 Employee Benefits	53,995		53,995
4000 Books and Supplies	29,710		29,710
5000 Services and Other Operating Expenses	46,984		46,984
6100/6200 Other Approved Capital Outlay	0		0
6400 New Equipment (program-related)	0		0
6500 Equipment Replacement (program-related)	0		0
Depreciation or Use Allowance	7,664		7,664
Start-up Expenses (service level exemption)	0		0
Budget Impasse Credit	0		0
Indirect Costs (Include in Administrative Cost)	0		0
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	371,794		371,794
Total Administrative Cost (included in section 4 above)	70,839		70,839

Approved Indirect Cost Rate:

Comments:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 8.

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 7 - Summary	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment	1,423		1,423
Days of Operation	248		248
Days of Attendance	1,423		1,423
Total Non-Certified Days of Enrollment	3,892		3,892
Restricted Program Income	4,955		4,955
Transfer from Reserve	0		0
Family Fees for Certified Children	1,701		1,701
Interest Earned on Apportionment Payments	0		0
Direct Payments to Providers	0		0
Start-up Expenses (service level exemption)	0		0
Total Reimbursable Expenses	371,794		371,794
Total Administrative Cost	70,839		70,839

Total Certified Adjusted Days of Enrollment

Total Non-Certified Adjusted Days of Enrollment

Independent Auditor's Assurances on Agency's Compliance with the Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (check YES or NO):

- Yes
- No

Reimbursable expenses claimed on page 7 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

- Yes
- No

Include any comments in the Comments box on page 7. If necessary, attach additional sheets to explain adjustments.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 1 of 10 (06/19)

Fiscal Year Ending June 30, 2019
 Contract Number CCTR 8139
 Vendor Code T266

Full Name of Contractor **North Marin Community Services**

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Infants (up to 18 months) Full-time-plus	0		0	2.4426	0
Infants (up to 18 months) Full-time	0		0	2.0700	0
Infants (up to 18 months) Three-quarters-time	0		0	1.5525	0
Infants (up to 18 months) One-half-time	0		0	1.1385	0
FCCH Infants (up to 18 months) Full-time-plus	0		0	2.2656	0
FCCH Infants (up to 18 months) Full-time	0		0	1.9200	0
FCCH Infants (up to 18 months) Three-quarters-time	0		0	1.4400	0
FCCH Infants (up to 18 months) One-half-time	0		0	1.0560	0
Toddlers (18 up to 36 months) Full-time-plus	0		0	1.8880	0
Toddlers (18 up to 36 months) Full-time	0		0	1.6000	0
Toddlers (18 up to 36 months) Three-quarters-time	0		0	1.2000	0
Toddlers (18 up to 36 months) One-half-time	0		0	0.8800	0
Three Years and Older Full-time-plus	20		20	1.1800	23.6
Three Years and Older Full-time	1,786		1,786	1.0000	1,786
Three Years and Older Three-quarters-time	644		644	0.7500	483
Three Years and Older One-half-time	4,847		4,847	0.5500	2,665.85

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 2 of 10 (06/19)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Exceptional Needs Full-time-plus	0		0	1.6166	0
Exceptional Needs Full-time	0		0	1.3700	0
Exceptional Needs Three-quarters-time	0		0	1.0275	0
Exceptional Needs One-half-time	0		0	0.7535	0
Limited and Non-English Proficient Full-time-plus	0		0	1.2980	0
Limited and Non-English Proficient Full-time	0		0	1.1000	0
Limited and Non-English Proficient Three-quarters-time	0		0	0.8250	0
Limited and Non-English Proficient One-half-time	0		0	0.6050	0
At Risk of Abuse or Neglect Full-time-plus	0		0	1.2980	0
At Risk of Abuse or Neglect Full-time	0		0	1.1000	0
At Risk of Abuse or Neglect Three-quarters-time	0		0	0.8250	0
At Risk of Abuse or Neglect One-half-time	0		0	0.6050	0

Fiscal Year Ending	June 30, 2019	
Contract Number	CCTR	8139
Vendor Code	T266	

Full Name of Contractor North Marin Community Services

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Severely Disabled Full-time-plus	0		0	2.0237	0
Severely Disabled Full-time	0		0	1.7150	0
Severely Disabled Three-quarters-time	0		0	1.2863	0
Severely Disabled One-half-time	0		0	0.9433	0

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
TOTAL DAYS OF ENROLLMENT	7,297		7,297	N/A	4,958.45
DAYS OF OPERATION	248		248	N/A	N/A
DAYS OF ATTENDANCE	7,297		7,297	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 4-6) and continue to Revenue Section on page 7.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 4 of 10 (06/19)

Fiscal Year Ending June 30, 2019

Contract Number CCTR 8139

Vendor Code T266

Full Name of Contractor **North Marin Community Services**

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Infants (up to 18 months) Full-time-plus	0		0	2.4426	0
Infants (up to 18 months) Full-time	0		0	2.0700	0
Infants (up to 18 months) Three-quarters-time	0		0	1.5525	0
Infants (up to 18 months) One-half-time	0		0	1.1385	0
FCCH Infants (up to 18 months) Full-time-plus	0		0	2.2656	0
FCCH Infants (up to 18 months) Full-time	0		0	1.9200	0
FCCH Infants (up to 18 months) Three-quarters-time	0		0	1.4400	0
FCCH Infants (up to 18 months) One-half-time	0		0	1.0560	0
Toddlers (18 up to 36 months) Full-time-plus	0		0	1.8880	0
Toddlers (18 up to 36 months) Full-time	0		0	1.6000	0
Toddlers (18 up to 36 months) Three-quarters-time	0		0	1.2000	0
Toddlers (18 up to 36 months) One-half-time	0		0	0.8800	0
Three Years and Older Full-time-plus	84		84	1.1800	99.12
Three Years and Older Full-time	2,379		2,379	1.0000	2,379
Three Years and Older Three-quarters-time	588		588	0.7500	441
Three Years and Older One-half-time	9,255		9,255	0.5500	5,090.25

Full Name of Contractor

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Exceptional Needs Full-time-plus	0		0	1.6166	0
Exceptional Needs Full-time	0		0	1.3700	0
Exceptional Needs Three-quarters-time	0		0	1.0275	0
Exceptional Needs One-half-time	0		0	0.7535	0
Limited and Non-English Proficient Full-time-plus	0		0	1.2980	0
Limited and Non-English Proficient Full-time	0		0	1.1000	0
Limited and Non-English Proficient Three-quarters-time	0		0	0.8250	0
Limited and Non-English Proficient One-half-time	0		0	0.6050	0
At Risk of Abuse or Neglect Full-time-plus	0		0	1.2980	0
At Risk of Abuse or Neglect Full-time	0		0	1.1000	0
At Risk of Abuse or Neglect Three-quarters-time	0		0	0.8250	0
At Risk of Abuse or Neglect One-half-time	0		0	0.6050	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 6 of 10 (06/19)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Severely Disabled Full-time-plus	0		0	2.0237	0
Severely Disabled Full-time	0		0	1.7150	0
Severely Disabled Three-quarters-time	0		0	1.2863	0
Severely Disabled One-half-time	0		0	0.9433	0

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	12,306		12,306	N/A	8,009.37

Full Name of Contractor

Section 3 - Revenue	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs	28,661		28,661
Restricted Income - County Maintenance of Effort (EC Section 8279)	0		0
Restricted Income - Other:	0		0
Restricted Income - Subtotal	28,661		28,661
Transfer From Reserve	0		0
Family Fees for Certified Children	25,121		25,121
Interest Earned on Child Development Apportionment Payments	0		0
Unrestricted Income: Fees for Non-Certified Children	352,840		352,840
Unrestricted Income: Head Start	0		0
Unrestricted Income - Other	87,818		87,818
Total Revenue	494,440		494,440

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 4 - Reimbursable Expenses	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)	0		0
1000 Certificated Salaries	206,067		206,067
2000 Classified Salaries	338,502		338,502
3000 Employee Benefits	93,418		93,418
4000 Books and Supplies	84,780		84,780
5000 Services and Other Operating Expenses	132,850		132,850
6100/6200 Other Approved Capital Outlay	0		0
6400 New Equipment (program-related)	0		0
6500 Equipment Replacement (program-related)	0		0
Depreciation or Use Allowance	26,603		26,603
Start-up Expenses (service level exemption)	0		0
Budget Impasse Credit	0		0
Indirect Costs (Include in Administrative Cost)	0		0
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	882,220		882,220
Total Administrative Cost (included in Section 4 above)	179,101		179,101

Approved Indirect Cost Rate:

Comments:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 9.

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 7 - Summary	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment	7,297		7,297
Days of Operation	248		248
Days of Attendance	7,297		7,297
Total Non-Certified Days of Enrollment	12,306		12,306
Restricted Program Income	28,661		28,661
Transfer from Reserve	0		0
Family Fees for Certified Children	25,121		25,121
Interest Earned on Apportionment Payments	0		0
Direct Payments to Providers	0		0
Start-up Expenses (service level exemption)	0		0
Total Reimbursable Expenses	882,220		882,220
Total Administrative Cost	179,101		179,101

Total Certified Adjusted Days of Enrollment

Total Non-Certified Adjusted Days of Enrollment

Independent Auditor's Assurances on Agency's Compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (check YES or NO): Yes No

Reimbursable expenses claimed on page 8 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO): Yes No

Include any comments in the 'Comments' box on page 8. If necessary, attach additional sheets to explain adjustments.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 1 of 10 (06/19)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Infants (up to 18 months) Full-time-plus	0		0	2.4426	0
Infants (up to 18 months) Full-time	0		0	2.0700	0
Infants (up to 18 months) Three-quarters-time	0		0	1.5525	0
Infants (up to 18 months) One-half-time	0		0	1.1385	0
FCCH Infants (up to 18 months) Full-time-plus	0		0	2.2656	0
FCCH Infants (up to 18 months) Full-time	0		0	1.9200	0
FCCH Infants (up to 18 months) Three-quarters-time	0		0	1.4400	0
FCCH Infants (up to 18 months) One-half-time	0		0	1.0560	0
Toddlers (18 up to 36 months) Full-time-plus	0		0	1.8880	0
Toddlers (18 up to 36 months) Full-time	0		0	1.6000	0
Toddlers (18 up to 36 months) Three-quarters-time	0		0	1.2000	0
Toddlers (18 up to 36 months) One-half-time	0		0	0.8800	0
Three Years and Older Full-time-plus	30		30	1.1800	35.4
Three Years and Older Full-time	706		706	1.0000	706
Three Years and Older Three-quarters-time	153		153	0.7500	114.75
Three Years and Older One-half-time	2,020		2,020	0.5500	1,111

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 2 of 10 (06/19)

Fiscal Year Ending June 30, 2019
 Contract Number CCTR 8136
 Vendor Code T266

Full Name of Contractor **North Marin Community Services**

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Exceptional Needs Full-time-plus	0		0	1.6166	0
Exceptional Needs Full-time	0		0	1.3700	0
Exceptional Needs Three-quarters-time	0		0	1.0275	0
Exceptional Needs One-half-time	0		0	0.7535	0
Limited and Non-English Proficient Full-time-plus	0		0	1.2980	0
Limited and Non-English Proficient Full-time	0		0	1.1000	0
Limited and Non-English Proficient Three-quarters-time	0		0	0.8250	0
Limited and Non-English Proficient One-half-time	0		0	0.6050	0
At Risk of Abuse or Neglect Full-time-plus	0		0	1.2980	0
At Risk of Abuse or Neglect Full-time	0		0	1.1000	0
At Risk of Abuse or Neglect Three-quarters-time	0		0	0.8250	0
At Risk of Abuse or Neglect One-half-time	0		0	0.6050	0

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Severely Disabled Full-time-plus	0		0	2.0237	0
Severely Disabled Full-time	0		0	1.7150	0
Severely Disabled Three-quarters-time	0		0	1.2863	0
Severely Disabled One-half-time	0		0	0.9433	0

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
TOTAL DAYS OF ENROLLMENT	2,909		2,909	N/A	1,967.15
DAYS OF OPERATION	248		248	N/A	N/A
DAYS OF ATTENDANCE	2,909		2,909	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 4-6) and continue to Revenue Section on page 7.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 4 of 10 (06/19)

Fiscal Year Ending June 30, 2019

Contract Number CCTR 8136

Vendor Code T266

Full Name of Contractor **North Marin Community Services**

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Infants (up to 18 months) Full-time-plus	0		0	2.4426	0
Infants (up to 18 months) Full-time	0		0	2.0700	0
Infants (up to 18 months) Three-quarters-time	0		0	1.5525	0
Infants (up to 18 months) One-half-time	0		0	1.1385	0
FCCH Infants (up to 18 months) Full-time-plus	0		0	2.2656	0
FCCH Infants (up to 18 months) Full-time	0		0	1.9200	0
FCCH Infants (up to 18 months) Three-quarters-time	0		0	1.4400	0
FCCH Infants (up to 18 months) One-half-time	0		0	1.0560	0
Toddlers (18 up to 36 months) Full-time-plus	0		0	1.8880	0
Toddlers (18 up to 36 months) Full-time	0		0	1.6000	0
Toddlers (18 up to 36 months) Three-quarters-time	0		0	1.2000	0
Toddlers (18 up to 36 months) One-half-time	0		0	0.8800	0
Three Years and Older Full-time-plus	0		0	1.1800	0
Three Years and Older Full-time	0		0	1.0000	0
Three Years and Older Three-quarters-time	0		0	0.7500	0
Three Years and Older One-half-time	0		0	0.5500	0

Full Name of Contractor

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Exceptional Needs Full-time-plus	0		0	1.6166	0
Exceptional Needs Full-time	0		0	1.3700	0
Exceptional Needs Three-quarters-time	0		0	1.0275	0
Exceptional Needs One-half-time	0		0	0.7535	0
Limited and Non-English Proficient Full-time-plus	0		0	1.2980	0
Limited and Non-English Proficient Full-time	0		0	1.1000	0
Limited and Non-English Proficient Three-quarters-time	0		0	0.8250	0
Limited and Non-English Proficient One-half-time	0		0	0.6050	0
At Risk of Abuse or Neglect Full-time-plus	0		0	1.2980	0
At Risk of Abuse or Neglect Full-time	0		0	1.1000	0
At Risk of Abuse or Neglect Three-quarters-time	0		0	0.8250	0
At Risk of Abuse or Neglect One-half-time	0		0	0.6050	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 6 of 10 (06/19)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Severely Disabled Full-time-plus	0		0	2.0237	0
Severely Disabled Full-time	0		0	1.7150	0
Severely Disabled Three-quarters-time	0		0	1.2863	0
Severely Disabled One-half-time	0		0	0.9433	0

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	0		0	N/A	0

Full Name of Contractor

Section 3 - Revenue	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs	3,942		3,942
Restricted Income - County Maintenance of Effort (EC Section 8279)	0		0
Restricted Income - Other:	0		0
Restricted Income - Subtotal	3,942		3,942
Transfer From Reserve	0		0
Family Fees for Certified Children	4,127		4,127
Interest Earned on Child Development Apportionment Payments	0		0
Unrestricted Income: Fees for Non-Certified Children	0		0
Unrestricted Income: Head Start	0		0
Unrestricted Income - Other	0		0
Total Revenue	8,069		8,069

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 4 - Reimbursable Expenses	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)	0		0
1000 Certificated Salaries	44,477		44,477
2000 Classified Salaries	30,206		30,206
3000 Employee Benefits	12,005		12,005
4000 Books and Supplies	11,968		11,968
5000 Services and Other Operating Expenses	14,940		14,940
6100/6200 Other Approved Capital Outlay	0		0
6400 New Equipment (program-related)	0		0
6500 Equipment Replacement (program-related)	0		0
Depreciation or Use Allowance	2,244		2,244
Start-up Expenses (service level exemption)	0		0
Budget Impasse Credit	0		0
Indirect Costs (Include in Administrative Cost)	0		0
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	115,840		115,840
Total Administrative Cost (included in Section 4 above)	15,751		15,751

Approved Indirect Cost Rate:

Comments:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 9.

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 7 - Summary	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment	2,909		2,909
Days of Operation	248		248
Days of Attendance	2,909		2,909
Total Non-Certified Days of Enrollment	0		0
Restricted Program Income	3,942		3,942
Transfer from Reserve	0		0
Family Fees for Certified Children	4,127		4,127
Interest Earned on Apportionment Payments	0		0
Direct Payments to Providers	0		0
Start-up Expenses (service level exemption)	0		0
Total Reimbursable Expenses	115,840		115,840
Total Administrative Cost	15,751		15,751

Total Certified Adjusted Days of Enrollment

Total Non-Certified Adjusted Days of Enrollment

Independent Auditor's Assurances on Agency's Compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (check YES or NO): Yes No

Reimbursable expenses claimed on page 8 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO): Yes No

Include any comments in the 'Comments' box on page 8. If necessary, attach additional sheets to explain adjustments.

CCFP SCHEDULES

NORTH MARIN COMMUNITY SERVICES
CHILD AND ADULT CARE FOOD PROGRAM - CHILD CARE CENTERS
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS
AND EARNED REIMBURSEMENT
FOR THE YEAR ENDED JUNE 30, 2018

	Reported Adjusted, Allowed	Cost	Revenue	Adjustments	Earned
Breakfast					
Free	2,997	\$ 1.79	\$ 5,365	-	\$ 5,365
Reduced	740	1.49	1,103	-	1,103
Base	5,740	0.31	1,779	-	1,779
Total	<u>9,477</u>		<u>8,247</u>		<u>8,247</u>
Lunch					
Free	3,649	3.31	12,078	-	12,078
Reduced	919	2.91	2,674	-	2,674
Base	6,919	0.31	2,145	-	2,145
Total	<u>11,487</u>		<u>16,897</u>		<u>16,897</u>
Supplements					
Free	7,974	0.91	7,256	-	7,256
Reduced	2,827	0.45	1,272	-	1,272
Base	14,829	0.08	1,186	-	1,186
Total	<u>25,630</u>		<u>9,715</u>		<u>9,715</u>
Cash-in-lieu	<u>11,487</u>	0.2350	<u>2,699</u>		<u>2,699</u>
Total Federal reimbursement			<u>\$ 37,558</u>		<u>37,558</u>
Total reimbursement overpaid/refund due state					<u>\$ -</u>

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
CHILD CARE FOOD PROGRAM - CHILD CARE CENTERS
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED ENROLLMENT
FOR THE YEAR ENDED JUNE 30, 2019

Fixed Percentage Method

	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
Free	44	44	44	48	48	48	48	48	48	48	48	48
Reduced	20	20	20	16	16	16	16	16	16	16	16	16
Basic	<u>84</u>	<u>84</u>	<u>84</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>
Total	<u>148</u>	<u>148</u>	<u>148</u>	<u>153</u>	<u>153</u>	<u>153</u>	<u>153</u>	<u>153</u>	<u>153</u>	<u>153</u>	<u>153</u>	<u>153</u>

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
CHILD CARE FOOD PROGRAM - CHILD CARE CENTERS
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS
FOR THE YEAR ENDED JUNE 30, 2018

	July	August	September	October	November	December	January	February	March	April	May	June
Breakfast												
Total	745	953	811	969	684	628	771	676	808	854	885	693
Free	208	268	223	319	225	207	255	223	267	282	292	228
Reduced	98	126	106	58	41	36	43	39	47	50	53	43
Base	439	559	482	592	418	385	473	414	494	522	540	422
Lunch												
Total	1,867	1,847	610	787	619	602	823	780	668	934	806	1,144
Free	557	546	156	267	208	202	274	259	228	310	274	368
Reduced	253	249	78	25	26	26	39	41	16	48	25	93
Base	1057	1052	376	495	385	374	510	480	424	576	507	683
Supplements												
Total	1,804	2,334	2,308	2,672	1,910	1,719	2,243	1,916	2,292	2,221	2,433	1,778
Free	539	701	695	839	600	541	706	603	721	701	767	561
Reduced	244	317	313	277	198	175	230	194	236	222	243	178
Base	1021	1316	1300	1556	1,112	1,003	1,307	1,119	1,335	1,298	1,423	1,039

**All meals are reported, adjusted and allowed

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
NOTES TO THE SUPPLEMENTARY INFORMATION
JUNE 30, 2019

1. Statement of Cash Flows
CDE encourages organizations to use the direct method for reporting net cash flows from operating activities, but it also allows them to use the indirect method.

2. Schedule of Expenditures of Federal and State Awards
 - a. Federal and State awards expended are reported on the accrual basis of accounting in conformity with generally accepted accounting principles as described in the Notes to the Financial Statements.
 - b. The federal expenditures were less than \$750,000; therefore, no single audit was performed.

3. Property
Property purchased with CDE contract funds during fiscal year 2018-2019 has been separately accounted for in the property management system.

4. Allowable Indirect Costs
Indirect costs are only applicable to the 1000 - 5000 series of general ledger expenditure accounts in the California School Accounting Manual. In accordance with CDP's FT&C's, indirect costs cannot be charged on capital outlay expenditures in the 6000 series accounts.

5. Claim Preparation
Monthly CACFP claims were prepared in accordance with the Total Count - Fixed Percentage claiming method.

The "Total Count - Fixed Percentage" claiming method requires each Organization to accurately categorize enrollment data into free, reduced price, and base rate categories at least one time at the beginning of the fiscal year. The percentage for each category becomes the percentage used to determine reimbursement for the fiscal year. These percentages may be adjusted by the Organization to accurately categorize enrollment if material changes in the enrollment percentages occur during the fiscal year.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
North Marin Community Services
Novato, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Marin Community Services (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, 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 September 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Marin Community Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Marin Community Services' internal control. Accordingly, we do not express an opinion on the effectiveness of North Marin Community Services' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Goranson and Associates, Inc.

717 College Avenue, First Floor, Santa Rosa, CA 95404 Phone: 707/542-1256 Fax 707/978-3090

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Marin Community Services 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Goranson and Associates, Inc.

September 25, 2019

Santa Rosa, CA

NORTH MARIN COMMUNITY SERVICES
SCHEDULE OF AUDITOR'S RESULTS, FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Material weaknesses identified?	NO
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Significant deficiencies identified that are not considered to be material weaknesses?	NO
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Non-compliance material to financial statements noted?	NO
--	----

FINDINGS AND QUESTIONED COSTS

Financial Statement Audit findings or questioned costs?	NO
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