

NORTH MARIN COMMUNITY SERVICES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2021



TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15
SUPPLEMENTAL INFORMATION:	
Schedule of Federal and State Awards	16
Combining Statement of Activities	17
Schedule of Expenditures by State Categories	18
Schedule of Reimbursable Equipment	19
Schedule of Renovation and Repair Expenditures	20
Schedule of Reimbursable Administrative Expenditures	21
Audited Attendance and Fiscal Reports:	
CSPP 0293 - State Preschool Program	22 - 28
CCTR 0143 - Child Development Program	29 - 35
Child and Adult Day Care Food Program-Child Care Centers:	
Schedule of Reported, Adjusted, and Allowed Meals and Earned Reimbursement	36
Schedule of Reported, Adjusted, and Allowed Enrollment	37
Schedule of Reported, Adjusted, and Allowed Meals	38
Notes to the Supplementary Information	39
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 <i>Government Auditing Standards</i>	40 - 41
Schedule of Auditor's Findings and Questioned Costs	42

INDEPENDENT AUDITOR'S REPORT

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

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, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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. 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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States 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 42 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 October 7, 2021, 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 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 North Marin Community Services' 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.

Report on Summarized Comparative Information

We have previously audited the North Marin Community Services' 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 5, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Goranson and Associates, Inc.

October 7, 2021

Santa Rosa, CA

NORTH MARIN COMMUNITY SERVICES
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2021
(With summarized comparative totals for the year ended June 30, 2020)

	Without donor restriction	With donor restriction	2021 Total	2020 Total
ASSETS				
Cash	\$ 682,318	\$ 1,935,236	\$ 2,617,554	\$ 2,178,796
Receivables and prepaid expenses	455,918	-	455,918	588,322
Unemployment Trust Reserve	70,310	-	70,310	65,463
Investments	4,643,605	-	4,643,605	3,763,265
Property and equipment, net	655,432	-	655,432	496,647
Government-owned assets	-	105,025	105,025	105,025
Total assets	<u>\$ 6,507,583</u>	<u>\$ 2,040,261</u>	<u>\$ 8,547,844</u>	<u>\$ 7,197,518</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	\$ 175,942		\$ 175,942	\$ 141,196
Accrued personal time off	196,574		196,574	162,202
Unemployment Trust Reserve	70,310		70,310	65,463
Note payable-PPP, current portion	502,500		502,500	222,403
In lieu fee payable	35,000		35,000	35,000
Total current liabilities	<u>980,326</u>		<u>980,326</u>	<u>626,264</u>
LONG TERM LIABILITIES:				
Note payable-PPP	-		-	280,097
Total liabilities	<u>980,326</u>		<u>980,326</u>	<u>906,361</u>
NET ASSETS:				
Without donor restriction:				
Board-designated:				
Investment fund	4,643,605		4,643,605	3,763,265
Total designated funds	4,643,605		4,643,605	3,763,265
Undesignated funds	883,652		883,652	858,465
Total unrestricted net assets	5,527,257		5,527,257	4,621,730
Government-owned assets	-	\$ 105,025	105,025	105,025
With donor restriction	-	1,935,236	1,935,236	1,564,402
Total net assets	<u>5,527,257</u>	<u>2,040,261</u>	<u>7,567,518</u>	<u>6,291,157</u>
Total liabilities and net assets	<u>\$ 6,507,583</u>	<u>\$ 2,040,261</u>	<u>\$ 8,547,844</u>	<u>\$ 7,197,518</u>

The accompanying notes are an integral part of these financial statement

NORTH MARIN COMMUNITY SERVICES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With summarized comparative totals for the year ended June 30, 2020)

	Without donor restriction	With donor restriction	2021 Total	2020 Total
SUPPORT:				
Grants	\$ 761,626	\$ 1,042,121	\$ 1,803,747	\$ 1,270,213
Contributions	683,536	435,863	1,119,399	886,806
State apportionments	681,855	-	681,855	396,487
Contracts	1,032,012	-	1,032,012	1,275,571
In-kind contributions	986,614	-	986,614	477,818
Legacy circle	7,393	-	7,393	168,286
Total support	<u>4,153,036</u>	<u>1,477,984</u>	<u>5,631,020</u>	<u>4,475,181</u>
REVENUE:				
Program service fees	550,095		550,095	585,438
Gain (loss) on sale of investments	48,031		48,031	(14,738)
Unrealized gain (loss) on investments	753,280		753,280	41,329
Investment income	110,995		110,995	71,389
Special events & fundraising	-	16,480	16,480	75,766
Rental & other income	3,450	-	3,450	67,750
Total revenue	<u>1,465,851</u>	<u>16,480</u>	<u>1,482,331</u>	<u>826,934</u>
Net assets released from restrictions	<u>1,123,630</u>	<u>(1,123,630)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>6,742,517</u>	<u>370,834</u>	<u>7,113,351</u>	<u>5,302,115</u>
EXPENSES:				
Program Services:				
Child Development	1,145,803		1,145,803	1,222,764
Mental Health	704,973		704,973	555,664
LatinX Services	191,408		191,408	-
Case Management, Health & Safety	2,633,677		2,633,677	1,942,632
Total program expenses	<u>4,675,860</u>		<u>4,675,860</u>	<u>3,721,060</u>
Support Services:				
General administration & plant	776,131		776,131	744,794
Fund development	384,999		384,999	352,628
Total support services	<u>1,161,130</u>		<u>1,161,130</u>	<u>1,097,422</u>
Total expenses	<u>5,836,990</u>		<u>5,836,990</u>	<u>4,818,482</u>
CHANGE IN NET ASSETS	905,527	370,834	1,276,361	483,633
Net Assets, beginning of year	4,621,730	1,669,427	6,291,157	5,807,524
Net Assets, end of the year	<u>\$ 5,527,257</u>	<u>\$ 2,040,261</u>	<u>\$ 7,567,518</u>	<u>\$ 6,291,157</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, 2021
(With summarized comparative totals for the year ended June 30, 2020)

	PROGRAM SERVICES					SUPPORTING SERVICES				
	Child Development	Mental Health	LatinX Services	Case Management, Health & Safety	Total Programs	General Admin & Plant	Fund Development	Total Support	2021 Total	2020 Total
Salaries	\$ 752,687	\$ 497,762	\$ 129,032	\$ 621,694	\$ 2,001,175	\$ 511,977	\$ 249,897	\$ 761,875	\$ 2,763,050	\$ 2,399,981
Payroll Taxes	54,065	36,652	9,407	58,364	158,487	28,713	17,252	45,964	204,451	174,172
Employee Benefits	82,217	24,566	5,897	51,672	164,353	54,537	6,362	60,898	225,251	214,951
Professional Services	22,320	14,813	2,274	31,738	71,144	73,910	51,832	125,741	196,885	176,437
Computer & Tech Support	27,011	27,642	3,100	20,140	77,893	15,222	7,625	22,846	100,739	60,105
Repairs and Maintenance	21,990	13,416	2,147	9,659	47,212	4,508	2,147	6,655	53,867	48,679
Insurance	24,194	15,736	2,559	11,770	54,259	9,662	2,616	12,278	66,537	55,973
Occupancy	25,802	17,434	2,789	12,552	58,577	8,571	2,789	11,361	69,938	64,239
Telephone	15,026	11,445	1,390	6,726	34,587	4,090	1,430	5,520	40,107	24,026
Postage & Printing	2,134	1,436	252	1,919	5,741	1,420	13,394	14,815	20,556	25,960
Supplies	22,950	6,777	3,780	5,053	38,560	9,783	2,036	11,819	50,379	54,115
Food Supplies	38,157	789	4,445	781	44,172	2,714	1,643	4,357	48,529	41,649
Travel & Transportation	9,182	266	126	279	9,853	867	43	909	10,762	30,215
Advertising & Marketing	150	-	-	-	150	698	1,323	2,021	2,171	8,094
Equipment & Rental	8,325	3,320	531	3,920	16,096	10,307	3,251	13,559	29,655	57,632
Dues & Fees, Subscriptions & Prof Dev	8,771	3,803	199	1,287	14,060	22,920	1,837	24,757	38,817	76,970
Direct Client Assistance	-	-	-	782,826	782,826	-	-	-	782,826	697,541
Other Operating Expenses	2,061	9,685	20,371	12,691	44,808	6,904	16,414	23,318	68,126	36,424
Food In-Kind	-	-	-	986,614	986,614	-	-	-	986,614	477,818
Subtotal	1,117,042	685,540	188,299	2,619,685	4,610,565	766,803	381,890	1,148,693	5,759,258	4,724,981
Depreciation	28,761	19,433	3,109	13,992	65,295	9,328	3,109	12,437	77,732	93,501
Total expenses	\$ 1,145,803	\$ 704,973	\$ 191,408	\$ 2,633,677	\$ 4,675,860	\$ 776,131	\$ 384,999	\$ 1,161,130	\$ 5,836,990	\$ 4,818,482

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, 2021
(With summarized comparative totals for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,276,361	\$ 483,633
Adjustment to reconcile increase in net assets to net cash provided by operations:		
Depreciation	77,732	93,501
(Gain) loss on sale of investments	(48,031)	14,738
Unrealized gain on investments	(753,280)	(41,329)
Decrease in receivables and prepaids	132,404	71,801
Increase in:		
Accounts payable and accruals	69,118	20,136
Deferred revenue	-	(24,307)
Cash used by operating activities	<u>754,304</u>	<u>618,173</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	536,254	310,910
Purchase of investments	(615,283)	(353,826)
Purchase of fixed assets	(236,517)	(12,408)
Cash provided by investing activities	<u>(315,546)</u>	<u>(55,324)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on long term note payable	-	502,500
Cash provided (used) by financing activities	<u>-</u>	<u>502,500</u>
NET INCREASE IN CASH	438,758	1,065,349
CASH, BEGINNING OF THE YEAR	<u>2,178,796</u>	<u>1,113,447</u>
CASH, END OF THE YEAR	<u>\$ 2,617,554</u>	<u>\$ 2,178,796</u>

The accompanying notes are an integral part of these financial statements

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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. As the anchor human services nonprofit serving North Marin, this multi-service organization with 48 years of experience is called upon to address health disparities for children, adults, families, seniors, and immigrants. Their 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. The Organization provides trauma informed, integrated and culturally appropriate services annually to 11,174 people in need. In striving for continuous improvement, the Organization sets yearly goals that coincide with a three-year strategic plan. The Organization also listens to the feedback of those they serve and who are affected by the programs, and regularly administers satisfaction surveys. Through these mechanisms, the Organization can measure life-changing impacts that result from providing services through four program areas: Case Management, Mental Health & Wellness, Latinx Services and Child Development. Programs are offered on-site at two centers, 680 Wilson Ave, 1907 Novato Blvd, on Novato Unified School District campuses, at the Novato Teen Clinic (a partnership with Marin Community Clinics), remotely through telemental health, Zoom and by phone, and in the community. As part of their strategic direction the Organization is committed to advocating for policies and services that benefit underserved communities and promote racial justice.

The Organization is funded from diverse sources including program fees, government grants and contracts, foundations grants, family, 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.

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.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 financial institution. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization uses a sweep account to increase FDIC coverage. At June 30, 2021 the Organization's uninsured cash balances total \$772,611.

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.

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), 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).

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The three levels 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 the estimated useful lives of the respective assets. Estimated useful lives range from three to forty years.

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.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 Organization 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 Organization function as a whole. Some examples of shared costs are copier usage, utilities, telephone, consultant fees, general liability insurance, janitorial, general printing costs, or office supplies.

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.

Reclassifications – Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Summarized Comparative Financial Information – The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NOTE 3 LIQUIDITY

The following reflects the Organization's financial assets as of June 30, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year 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	\$ 2,617,554
Accounts receivable and prepaids	455,918
Investments	4,643,605
Total financial assets	<u>7,717,077</u>
Less those unavailable for general expenditures within one year due to:	
Donor restricted funds (by time or purpose)	(1,935,236)
Board designated investment fund	<u>(4,643,605)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,138,236</u></u>

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021:

	Level 1	Level 2	Total
US Treasuries	\$ 280,628		\$ 280,628
Corporate Bonds	753,510		753,510
Equities	36,130		36,130
Mutual Funds	470,356		470,356
Pooled Investments	-	\$ 1,523,964	1,523,964
Exchange Traded Funds	1,336,729	-	1,336,729
Cash	242,288	-	242,288
Total	<u>\$ 3,119,641</u>	<u>\$ 1,523,964</u>	<u>\$ 4,643,605</u>

Investment earnings are as follows for the year ended June 30, 2021:

Interest and dividend income	\$ 110,995
Net realized gains (losses)	48,031
Investment fees	(31,966)
Net unrealized gains (losses)	753,280
Total investment return	<u>\$ 880,340</u>

NOTE 5 PLANT AND EQUIPMENT

At June 30, 2021 the fixed assets account group consisted of:

	Agency Owned	Government Owned
Land and improvements	\$ 474,350	
Buildings and improvements	3,183,651	\$ 105,025
Annex	29,986	-
Vehicle	314,528	-
Equipment	141,917	-
Furniture and fixtures	151,471	-
	<u>4,295,903</u>	<u>105,025</u>
Accumulated depreciation	<u>(3,640,471)</u>	<u>-</u>
Net plant and equipment	<u>\$ 655,432</u>	<u>\$ 105,025</u>

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 ACCUMULATED PERSONAL 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, 2021 is \$196,574

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 (3.25 percent per annum at June 30, 2021) 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 February 15, 2022. The Organization had no borrowings under the line as of June 30, 2021.

NOTE 8 NOTES PAYABLE

The Organization has a Paycheck Protection Program loan with the Small Business Administration in the amount of \$502,500. The loan originated in April 2020 and matures in April 2022. Interest is one percent. The loan can be forgiven as long as the covenants are met, which was not done by June 30, 2021, but was forgiven subsequent to yearend in August 2021.

NOTE 9 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's 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 10 IN-KIND DONATIONS

The Organization receives in-kind donations in the form of food contributions. The donor valued the food at \$986,614 retail value for the year ended June 30, 2021.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS

At June 30, 2021, the Organization's net assets with temporary donor restrictions consisted of the following program-restricted and time-restricted grants and contributions:

Operating Funds	\$ 391,250
COVID-19 & Emergency Appeal	750,762
Family and Community Engagement	279,372
Child Development	159,899
Health and Wellness	140,030
Other fundraising and appeals	<u>213,923</u>
Total cash	<u>1,935,236</u>
Government Owned Assets	<u>105,025</u>
Total net assets with donor restriction	<u><u>\$ 2,040,261</u></u>

A major portion of the net assets with donor restrictions is due to multiyear grants received during the year ended June 30, 2021.

NOTE 12 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 2021, the Organization contributed up to 2 percent match to the 403b retirement account totaling \$31,962.

NORTH MARIN COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 CONTINGENCIES

The Organization receives support from the state government equal to 31 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.

In January 2020, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state, and local governments, and private entities mandating various restrictions. This could have a material effect on the Organization's operations, financial position, and cash flows.

Due to COVID-19, the Organization has served more clients in various programs. Since the March 16, 2020 COVID-19 Shelter In Place order, and continuing through 2021, the demand for basic needs services increased dramatically. In particular, the Organization was called upon to ensure access to emergency rental assistance, healthy food, direct financial assistance, childcare for children of essential workers, and mental health therapy. As the anchor human services nonprofit in North Marin, the Organization remained open during the pandemic to provide services onsite, including a weekly drive-through food pantry, virtually and hybrid.

NOTE 14 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 7, 2021, the date the financial statements were available to be issued. Subsequent to year end, in August 2021, the Organization's Paycheck Protection Program loan was forgiven as seen in Note 8.

SUPPLEMENTAL INFORMATION

NORTH MARIN COMMUNITY SERVICES
SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 35,325		\$ 35,325	\$ 24,999	
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-0143	79,730	\$ 144,126	223,856	79,730	\$ 1,008,815
Child Development Programs	93.575/93.596	CSPP-0293	-	76,385	76,385	-	407,229
			115,055	220,511	335,566	104,729	1,416,044
U.S. Department of Housing and Urban Development							
<i>Passed through the County of Marin</i>							
Community Development Block Grant	14.218		70,000			70,000	
Community Development Block Grant	14.218		244,725			244,725	
Community Development Block Grant	14.218	N/A	15,000	-	15,000	15,000	-
Total Federal and State			\$ 444,780	\$ 220,511	\$ 350,566	\$ 434,454	\$ 1,416,044

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	CCTR-0143	CSPP-0293	Total CDE Contracts	Non-CDE Programs	Total
Revenue and Support:					
Government contracts:					
Childcare programs	\$ 245,917	\$ 70,861	\$ 316,778		\$ 316,778
Childcare food program	28,967	6,358	35,325		35,325
Total Government Contracts	<u>274,884</u>	<u>77,219</u>	<u>352,103</u>		<u>352,103</u>
Other revenue and support:					
Family fees - certified children	8,724	4,869	13,593		13,593
Family fees - non-certified children	231,528	202,309	433,837	\$ 102,664	536,501
Grants and United Way	-	-	-	2,133,500	2,133,500
Contributions	-	-	-	1,119,399	1,119,399
Contracts	-	-	-	1,032,012	1,032,012
Special events and fundraising	-	-	-	16,480	16,480
Investment income	-	-	-	110,995	110,995
Gain on sale of investments	-	-	-	48,031	48,031
Unrealized gain on investments	-	-	-	753,280	753,280
Other revenue	-	-	-	10,843	10,843
In-kind contributions	-	-	-	986,614	986,614
Total revenue and support	<u>515,136</u>	<u>284,397</u>	<u>799,533</u>	<u>6,313,818</u>	<u>7,113,351</u>
Expenses:					
Salaries	670,546	272,552	943,098	1,819,952	2,763,050
Taxes and benefits	119,262	51,962	171,224	258,478	429,702
Instructional materials and supplies	109,065	24,012	133,077	6,819	139,896
Repairs and maintenance	-	-	-	53,867	53,867
Travel and conferences	-	-	-	10,762	10,762
Insurance	-	-	-	66,537	66,537
Other operating services/expenses	153,244	49,463	202,707	1,106,124	1,308,831
In-kind expenses	-	-	-	986,614	-
Depreciation expense	36,428	9,240	45,668	32,063	77,731
Total expenses	<u>1,088,545</u>	<u>407,229</u>	<u>1,495,774</u>	<u>4,341,216</u>	<u>5,836,990</u>
Change in net assets	<u>\$ (573,409)</u>	<u>\$ (122,832)</u>	<u>\$ (696,241)</u>	<u>\$ 1,972,602</u>	<u>\$ 1,276,361</u>

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2021

	CCTR-0143	CSPP-0293	Total
1000 CERTIFIED PERSONNEL SALARIES	\$ 287,895	\$ 191,411	\$ 479,306
2000 CLASSIFIED PERSONNEL SALARIES	382,651	81,141	463,792
3000 EMPLOYEE BENEFITS	119,262	51,962	171,224
4000 BOOKS, SUPPLIES, EQUIPMENT REPLACEMENT	109,065	24,012	133,077
5000 CONTRACTED SERVICES AND OTHER OPERATING EXPENSES	153,244	49,463	202,707
Depreciation expense	36,428	9,240	45,668
Start up costs	-	-	-
6000 CAPITAL OUTLAY			
6100 Other approved capital outlay	-	-	-
Total expenses claimed for reimbursement	<u>\$ 1,088,545</u>	<u>\$ 407,229</u>	<u>\$ 1,495,774</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, 2021

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 REIMBURSEABLE RENOVATION
AND REPAIR EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

Unit Cost Under \$10,000 Per Item:

None

Unit Cost Over \$10,000 Per Item

With Prior Written Approval:

None

Unit Cost Over \$10,000 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, 2021

	CDE		
	<u>CCTR 0143</u>	<u>CSPP 0293</u>	<u>Total</u>
Salaries and wages	\$ 248,335	\$ 63,856	\$ 312,191
Fringe and payroll taxes	40,380	10,383	50,763
Supplies	6,062	1,559	7,620
Telephone	1,984	510	2,494
Professional services	11,058	2,843	13,901
Insurance	4,687	1,205	5,892
Other operating expenses	44,354	11,145	55,499
Total	<u>\$ 356,858</u>	<u>\$ 91,502</u>	<u>\$ 448,360</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 8

Fiscal Year Ending June 30, 2021

Contract Number CSPP0293

Vendor Code T266

Full Name of Contractor NORTH MARIN COMMUNITY SERVICES

Section 1 - Days of Enrollment Certified Children

Enrollment Category	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				1.1800	0
Three Years and Older Full-time	1,181		1,181	1.0000	1,181
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.6193	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	0
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 1 - Days of Enrollment Certified Children (continued)**

Enrollment Category	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				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
TOTAL DAYS OF ENROLLMENT	1,181		1,181	N/A	1,181
DAYS OF OPERATION	246		246	N/A	N/A
DAYS OF ATTENDANCE	1,181		1,181	N/A	N/A

☐ NO NON-CERTIFIED CHILDREN Check this box (omit pages 3 and 4) and continue to Revenue Section on page 5.

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 2 - Days of Enrollment Non-Certified Children**

Enrollment Category	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				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	3,508		3,508	1.0000	3,508
Three Years and Older Three-quarters-time	124		124	0.7500	93
Three Years and Older One-half-time				0.6193	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	0

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 2 - Days of Enrollment Non-Certified Children (continued)**

Enrollment Category	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				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	3,632		3,632	N/A	3,601

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 3 - Revenue**

Revenue Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	6,358		6,358
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	6,358		6,358
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Waived Family Fees for Certified Children (July - August)	109		109
Family Fees Collected for Certified Children (September - June)	4,869		4,869
Waived Family Fees for Certified Children (September - June)			
Family Fees for Certified Children (September - June) - Subtotal	4,869		4,869
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children	202,309		202,309
Unrestricted Income - Head Start			
Unrestricted Income - Other:			
Total Revenue	213,536		213,536

Comments:

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 4 - Reimbursable Expenses**

Expense Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	191,411		191,411
2000 Classified Salaries	81,141		81,141
3000 Employee Benefits	51,962		51,962
4000 Books and Supplies	24,013		24,013
5000 Services and Other Operating Expenses	49,462		49,462
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	9,240		9,240
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	407,229		407,229
Total Administrative Cost (included in Section 4 above)	91,502		91,502
Total Staff Training Cost (included in Section 4 above)	584		584

Approved Indirect Cost Rate: 15.0%

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 7 - Summary**

Summary Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	1,181		1,181
Days of Operation	246		246
Days of Attendance	1,181		1,181
Restricted Program Income	6,358		6,358
Transfer from Reserve			
Family Fees for Certified Children (September - June)	4,869		4,869
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	407,229		407,229
Total Administrative Cost	91,502		91,502
Total Staff Training Cost	584		584

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 (select YES or NO from the drop-down box):

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box):

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

California Department of Social Services

Audited Attendance and Fiscal Report for Child Development Programs

Fiscal Year Ending **June 30, 2021**

Contract Number **CCTR0143**

Vendor Code **T266**

A U D 9500 Page 1 of 8

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				2.8792	0
Infants (up to 18 months) Full-time				2.4400	0
Infants (up to 18 months) Three-quarters-time				1.8300	0
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	4,188		4,188	1.0000	4,188
Three Years and Older Three-quarters-time	407		407	0.7500	305.25
Three Years and Older One-half-time	1,161		1,161	0.5500	638.55
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 1 - Days of Enrollment Certified Children (continued)**

	Column A Cumulative CDNFS 9500	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				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL CERTIFIED DAYS OF ENROLLMENT	5,756		5,756	N/A	5,131.8
DAYS OF OPERATION	246		246	N/A	N/A
DAYS OF ATTENDANCE	5,756		5,756	N/A	N/A

☐ NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-4) and continue to Revenue Section on page 5.

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				2.8792	0
Infants (up to 18 months) Full-time				2.4400	0
Infants (up to 18 months) Three-quarters-time				1.8300	0
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	3,736		3,736	1.0000	3,736
Three Years and Older Three-quarters-time	723		723	0.7500	542.25
Three Years and Older One-half-time	1,405		1,405	0.5500	772.75
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 2 - Days of Enrollment Non-Certified Children (continued)**

	Column A Cumulative CDNFS 9500	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				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	5,864		5,864	N/A	5,051

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 3 - Revenue**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	28,967		28,967
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	28,967		28,967
Transfer From Reserve			
Waived Family Fees for Certified Children (July and August)	3,254		3,254
Family Fees Collected for Certified Children (September - June)	8,724		8,724
Waived Family Fees for Certified Children (September - June)			
Family Fees (September - June) - Subtotal	8,724		8,724
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children	231,528		231,528
Unrestricted Income - Head Start			
Unrestricted Income - Other:			
Total Revenue	272,473		272,473

Comments:

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 4 - Reimbursable Expenses**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	287,895		287,895
2000 Classified Salaries	382,651		382,651
3000 Employee Benefits	119,262		119,262
4000 Books and Supplies	109,065		109,065
5000 Services and Other Operating Expenses	153,244		153,244
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	36,428		36,428
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	1,088,545		1,088,545
Total Administrative Cost (included in Section 4 above)	356,858		356,858
Total Staff Training Cost (included in Section 4 above)	4,541		4,541

Approved Indirect Cost Rate: 15.0%

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Full Name of Contractor **NORTH MARIN COMMUNITY SERVICES****Section 7 - Summary**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	5,756		5,756
Days of Operation	246		246
Days of Attendance	5,756		5,756
Restricted Program Income	28,967		28,967
Transfer from Reserve			
Family Fees for Certified Children (September - June)	8,724		8,724
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	1,088,545		1,088,545
Total Administrative Cost	356,858		356,858
Total Staff Training Cost	4,541		4,541

Total Certified Adjusted Days of Enrollment **5,131.8**Total Non-Certified Adjusted Days of Enrollment **5,051**

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 (select YES or NO from the drop-down box):

YES

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box):

YES

Include any comments in the comments box on page 5. 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, 2021

	Reported Adjusted, Allowed	Cost	Revenue	Adjustments	Earned
Breakfast					
Free	1,084	\$ 1.89	\$ 2,049	-	\$ 2,049
Reduced	225	1.59	358	-	358
Base	2,468	0.32	790	-	790
Total	<u>3,777</u>		<u>3,196</u>		<u>3,196</u>
Lunch					
Free	4,897	3.51	17,188	-	17,188
Reduced	1,043	3.11	3,244	-	3,244
Base	5,581	0.33	1,842	-	1,842
Total	<u>11,521</u>		<u>22,274</u>		<u>22,274</u>
Supplements					
Free	6,178	0.96	5,931	-	5,931
Reduced	1,264	0.48	607	-	607
Base	6,173	0.08	494	-	494
Total	<u>13,615</u>		<u>7,031</u>		<u>7,031</u>
Cash-in-lieu	<u>11,521</u>	0.2450	<u>2,823</u>		<u>2,823</u>
Total Federal reimbursement			<u>\$ 35,324</u>		<u>35,324</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, 2021

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	48	48	48	39	39	39	39	39	39	39	39	39
Reduced	15	15	15	7	7	7	7	7	7	7	7	7
Basic	<u>78</u>	<u>78</u>	<u>78</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>
Total	<u>141</u>	<u>141</u>	<u>141</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</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, 2021

	July	August	September	October	November	December	January	February	March	April	May	June
Breakfast												
Total	265	296	304	377	304	312	217	253	405	378	362	304
Free	64	72	74	113	91	94	65	76	122	113	109	91
Reduced	24	27	28	19	15	16	11	13	20	19	18	15
Base	177	197	202	245	198	202	141	164	263	246	235	198
Lunch												
Total	1,183	1,294	1,215	1,364	952	865	659	836	1,162	620	392	979
Free	401	440	411	675	460	406	313	406	549	248	118	470
Reduced	126	137	129	121	82	73	56	73	98	44	20	84
Base	656	717	675	568	410	386	290	357	515	328	254	425
Supplements												
Total	1,157	1,211	1,149	1,321	1,045	976	769	966	1,378	1,223	1,174	1,246
Free	392	412	392	660	517	475	380	484	677	597	569	623
Reduced	122	129	122	118	92	85	68	87	121	107	101	112
Base	643	670	635	543	436	416	321	395	580	519	504	511

**All meals are reported, adjusted and allowed

See notes to supplemental information

NORTH MARIN COMMUNITY SERVICES
NOTES TO THE SUPPLEMENTARY INFORMATION
JUNE 30, 2021

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 2018-2020 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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2021.

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) as a basis for designing 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 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*.

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.

October 7, 2021

Santa Rosa, CA

NORTH MARIN COMMUNITY SERVICES
SCHEDULE OF AUDITOR'S RESULTS, FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued	UNMODIFIED
---------------------------------	------------

Internal control over financial reporting:

Material weaknesses identified?	NO
---------------------------------	----

Significant deficiencies identified that are not considered to be material weaknesses?	NO
---	----

Non-compliance material to financial statements noted?	NO
--	----

FINDINGS AND QUESTIONED COSTS

Financial Statement Audit findings or questioned costs?	NO
---	----