

**INDIVIDUALS, NOW  
dba SOCIAL ADVOCATES FOR YOUTH**

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**FINANCIAL STATEMENTS**

June 30, 2021 and 2020



**INDIVIDUALS, NOW  
dba SOCIAL ADVOCATES FOR YOUTH**

**T A B L E O F C O N T E N T S**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Individuals, Now dba Social Advocates for Youth  
Santa Rosa, California

### Report on the Financial Statements

We have audited the accompanying financial statements of Individuals, Now dba Social Advocates for Youth (a nonprofit corporation) ("SAY"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Individuals, Now dba Social Advocates for Youth as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 February 23, 2022, on our consideration of SAY's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 SAY's internal control over financial reporting and compliance.

BPM LLP

San Jose, California  
February 23, 2022

**INDIVIDUALS, NOW  
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**STATEMENTS OF FINANCIAL POSITION**

As of June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,537,131	\$ 1,336,481
Grants and contracts receivable	638,746	716,133
Pledges receivable, net - current portion	72,972	75,702
Prepaid expenses and other current assets	113,449	166,622
Total current assets	2,362,298	2,294,938
Pledges restricted for capital campaign	38,244	104,923
Pledges receivable, net of current portion	10,303	20,544
Prepaid expenses - long-term	244,968	270,030
Investments	796,762	754,633
Deposits	9,216	12,216
Property and equipment, net	11,403,648	11,701,525
Total assets	\$ 14,865,439	\$ 15,158,809
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Note payable, current portion	\$ 179,687	\$ 574,894
Accounts payable and accrued expenses	478,640	567,448
Current portion of use obligation - donated property	25,788	24,795
Refundable advances	233,398	67,399
Total current liabilities	917,513	1,234,536
Use obligation - donated property	413,543	439,330
Notes payable	1,247,610	1,909,266
Accrued interest, notes payable	39,356	37,946
Total liabilities	2,618,022	3,621,078
Commitments and contingencies (Note 12)		
Net assets:		
Without donor restrictions:		
Undesignated	1,324,273	135,730
Board-designated	19,935	19,935
Investment in property and equipment, net of related debt	9,736,172	10,128,543
Total without donor restrictions	11,080,380	10,284,208
With donor restrictions	1,167,037	1,253,523
Total net assets	12,247,417	11,537,731
Total liabilities and net assets	\$ 14,865,439	\$ 15,158,809

**INDIVIDUALS, NOW  
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**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

For the year ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Contracts and grants	\$ 5,125,265	\$ -	\$ 5,125,265
Contributions	1,069,211	440,000	1,509,211
In-kind contributions	105,933	-	105,933
Client fees	37,633	-	37,633
Interest and other income	26,654	8,633	35,287
	<u>6,364,696</u>	<u>448,633</u>	<u>6,813,329</u>
Net assets released from restriction	<u>535,119</u>	<u>(535,119)</u>	<u>-</u>
Total support and revenue	<u>6,899,815</u>	<u>(86,486)</u>	<u>6,813,329</u>
Expenses:			
Program services	<u>5,513,338</u>	<u>-</u>	<u>5,513,338</u>
Supporting services:			
General and administrative	725,004	-	725,004
Development	785,391	-	785,391
Total supporting services expense	<u>1,510,395</u>	<u>-</u>	<u>1,510,395</u>
Total expenses	<u>7,023,733</u>	<u>-</u>	<u>7,023,733</u>
Changes in net assets before non-operating income	(123,918)	(86,486)	(210,404)
Non-operating income:			
Forgiveness of Paycheck Protection Program loan	<u>920,090</u>	<u>-</u>	<u>920,090</u>
Changes in net assets	796,172	(86,486)	709,686
Net assets, beginning of year	<u>10,284,208</u>	<u>1,253,523</u>	<u>11,537,731</u>
Net assets, end of year	<u>\$ 11,080,380</u>	<u>\$ 1,167,037</u>	<u>\$ 12,247,417</u>

**INDIVIDUALS, NOW  
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**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS, Continued**

For the year ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Contracts and grants	\$ 5,076,080	\$ -	\$ 5,076,080
Contributions	1,036,993	10,000	1,046,993
Client fees	92,887	-	92,887
Interest and other income	<u>61,216</u>	<u>25,700</u>	<u>86,916</u>
	6,267,176	35,700	6,302,876
Net assets released from restriction	<u>450,473</u>	<u>(450,473)</u>	<u>-</u>
Total support and revenue	<u>6,717,649</u>	<u>(414,773)</u>	<u>6,302,876</u>
Expenses:			
Program services	<u>5,468,119</u>	<u>-</u>	<u>5,468,119</u>
Supporting services:			
General and administrative	772,077	-	772,077
Development	<u>560,841</u>	<u>-</u>	<u>560,841</u>
Total supporting services expense	<u>1,332,918</u>	<u>-</u>	<u>1,332,918</u>
Total expenses	<u>6,801,037</u>	<u>-</u>	<u>6,801,037</u>
Changes in net assets	(83,388)	(414,773)	(498,161)
Net assets, beginning of year	<u>10,367,596</u>	<u>1,668,296</u>	<u>12,035,892</u>
Net assets, end of year	<u>\$ 10,284,208</u>	<u>\$ 1,253,523</u>	<u>\$ 11,537,731</u>

**INDIVIDUALS, NOW**  
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**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the year ended June 30, 2021

	Program Services				Total Program Services	Supporting Services			Total
	Counseling	Career and Life Readiness	Housing	Dream Center		General and Administrative	Development	Total Supporting Services	
Salaries and wages	\$ 1,098,341	\$ 339,801	\$ 1,727,441	\$ 56,017	\$ 3,221,600	\$ 468,154	\$ 335,721	\$ 803,875	\$ 4,025,475
Payroll taxes and employee benefits	210,517	64,220	319,506	10,562	604,805	70,675	52,505	123,180	727,985
Participant salaries and payroll taxes	-	23,671	-	-	23,671	-	-	-	23,671
<b>Total personnel expenses</b>	<b>1,308,858</b>	<b>427,692</b>	<b>2,046,947</b>	<b>66,579</b>	<b>3,850,076</b>	<b>538,829</b>	<b>388,226</b>	<b>927,055</b>	<b>4,777,131</b>
Assistance to individuals	2,359	12,237	553,076	-	567,672	80	-	80	567,752
Depreciation	11,923	4,909	20,063	271,961	308,856	6,750	4,199	10,949	319,805
Other	39,416	6,832	79,981	53,988	180,217	28,548	298,207	326,755	506,972
Occupancy	68,404	25,583	76,093	-	170,080	34,681	21,529	56,210	226,290
Contract services	24,032	70,000	-	-	94,032	78,718	53,263	131,981	226,013
Supplies and equipment	56,088	12,787	49,389	-	118,264	10,869	5,868	16,737	135,001
Insurance	11,833	5,230	20,745	46,174	83,982	4,085	2,757	6,842	90,824
Interest expense	-	-	1,410	85,253	86,663	8,912	-	8,912	95,575
Dues and fees	1,747	328	9,019	5,732	16,826	10,199	9,659	19,858	36,684
Mileage and transportation	803	2,171	33,094	-	36,068	-	106	106	36,174
Professional services	156	63	383	-	602	3,333	1,577	4,910	5,512
<b>Total</b>	<b>\$ 1,525,619</b>	<b>\$ 567,832</b>	<b>\$ 2,890,200</b>	<b>\$ 529,687</b>	<b>\$ 5,513,338</b>	<b>\$ 725,004</b>	<b>\$ 785,391</b>	<b>\$ 1,510,395</b>	<b>\$ 7,023,733</b>



**INDIVIDUALS, NOW  
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**STATEMENTS OF FUNCTIONAL EXPENSES, Continued**

For the year ended June 30, 2020

	Program Services				Total Program Services	Supporting Services			Total
	Counseling	Career and Life Readiness	Housing	Dream Center		General and Administrative	Development	Total Supporting Services	
Salaries and wages	\$ 1,231,433	\$ 480,343	\$ 1,594,238	\$ 51,719	\$ 3,357,733	\$ 399,101	\$ 403,794	\$ 802,895	\$ 4,160,628
Payroll taxes and employee benefits	240,114	84,923	314,750	11,820	651,607	63,089	62,539	125,628	777,235
Participant salaries and payroll taxes	-	30,995	-	-	30,995	-	-	-	30,995
<b>Total personnel expenses</b>	<b>1,471,547</b>	<b>596,261</b>	<b>1,908,988</b>	<b>63,539</b>	<b>4,040,335</b>	<b>462,190</b>	<b>466,333</b>	<b>928,523</b>	<b>4,968,858</b>
Assistance to individuals	3,332	6,870	487,940	-	498,142	144	-	144	498,286
Depreciation	11,979	7,983	16,914	295,039	331,915	6,627	4,342	10,969	342,884
Other	32,982	8,544	69,280	59,631	170,437	50,550	30,866	81,416	251,853
Occupancy	63,462	35,282	67,412	-	166,156	38,558	20,274	58,832	224,988
Contract services	7,415	750	-	-	8,165	146,479	21,570	168,049	176,214
Supplies and equipment	20,649	6,718	74,513	-	101,880	5,893	6,907	12,800	114,680
Insurance	13,280	7,143	17,044	4,160	41,627	37,914	2,729	40,643	82,270
Interest expense	2,208	1,368	4,354	59,744	67,674	1,109	741	1,850	69,524
Dues and fees	1,106	124	6,326	-	7,556	21,431	6,747	28,178	35,734
Mileage and transportation	5,268	5,418	20,338	-	31,024	387	322	709	31,733
Professional services	24	18	2,222	944	3,208	795	10	805	4,013
<b>Total</b>	<b>\$ 1,633,252</b>	<b>\$ 676,479</b>	<b>\$ 2,675,331</b>	<b>\$ 483,057</b>	<b>\$ 5,468,119</b>	<b>\$ 772,077</b>	<b>\$ 560,841</b>	<b>\$ 1,332,918</b>	<b>\$ 6,801,037</b>

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**STATEMENTS OF CASH FLOWS**

For the years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 709,686	\$ (498,161)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	319,805	342,884
Change in beneficial interest in assets held by the Community Foundation	(8,081)	(977)
Gain on investments	(32,861)	(17,464)
Change in value of use obligation - donated property	(24,794)	(48,635)
Bad debt expense and uncollectible pledges	103,006	10,157
Amortization of discount on contributions receivable	1,461	1,461
Forgiveness of Paycheck Protection Program loan	(920,090)	-
(Increase) decrease in operating assets:		
Grants and contracts receivable	77,387	(200,905)
Pledges receivable	(81,193)	239,589
Deposits	3,000	-
Prepaid expenses and other assets	78,235	(11,985)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(88,808)	13,870
Refundable Advances	165,999	84,310
Accrued interest	1,410	1,410
Net cash provided by (used in) operating activities	304,162	(84,446)
Cash flows from investing activities:		
Proceeds from sale of investments	458,213	253,902
Purchase of investments	(459,400)	(961,037)
Purchase of property and equipment	(21,928)	-
Net cash used in investing activities	(23,115)	(707,135)
Cash flows from financing activities:		
Proceeds from issuance of Paycheck Protection Program loan	-	911,178
Principal payments on debt	(136,773)	(144,547)
Proceeds from contributions restricted for long-lived assets	56,376	197,962
Net cash (used in) provided by financing activities	(80,397)	964,593
Increase in cash and cash equivalents	200,650	173,012
Cash and cash equivalents, beginning of year	1,336,481	1,163,469
Cash and cash equivalents, end of year	\$ 1,537,131	\$ 1,336,481
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 95,165	\$ 68,114

**INDIVIDUALS, NOW  
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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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**1. Organization, Nature of Activities, and Summary of Significant Accounting Policies**

***Organization***

Individuals, Now dba Social Advocates for Youth (“SAY”) is a not-for-profit public benefit corporation organized in 1971. SAY provides a range of integrated employment, educational, counseling, and other outreach services for youths and their families in Sonoma County. Funding for these program activities is provided primarily by federal, state, and local governmental agencies, as well as private support and client fees. SAY is governed by a Board of Directors who serve without compensation.

***Nature of Activities***

The following programs and supporting services are included in the accompanying financial statements:

**Counseling** – The counseling clinic serves children, youth, and young adults between the ages of 5 and 25 who have Medi-Cal insurance. The program provides individual and family counseling for both English and Spanish speaking persons who are experiencing severe emotional problems or are having substantial difficulties at school, at home, or in the community. We also provide mental health services on 27 school campuses.

**Career and Life Readiness** – SAY’s Career and Life Readiness programs provide teens and young adults with opportunities for employment and education development. We offer summer jobs and work experience through the Sonoma County Youth Ecology Corps, job placement assistance, including resume building and mock interview workshops. We invite local employers to give presentations about their organizations and possible employment opportunities. We also match youth to apprenticeship programs, assist them in General Educational Development (“GED”) preparation and discuss how to be more engaged in school.

**Housing** – SAY offers a range of housing programs including emergency short term shelters and permanent supportive housing. Youth who are 12–18 may also be eligible for temporary shelter at the Dr. Coffee Teen Shelter, which is open 24 hours a day, 364 days a year and provides a respite for families in crisis and family reunification services for runaway and homeless youth and their families. We provide short-term shelter, food, counseling, and referrals for youth and their families. SAY also has short-term shelter for former foster youth and young adults ages 18–24 who may be homeless. We offer long-term affordable housing for former foster youth and young adults who may be homeless at two program sites: The SAY Finley Dream Center and Tamayo Village. Our housing programs offer an affordable, safe place to live, case management, job and educational support, counseling referrals, and mentoring.

**Dream Center** – The SAY Finley Dream Center includes 63 units of housing for 18–24 year olds, along with counseling and job training that are available both for the residents and another 1,000 young people using SAY’s effective counseling and job training services. The Dream Center provides a supportive community for young men and women as they learn to live together as adults. Those youth share meals, commute together to school and work, refer each other for jobs, and learn unselfish cooperation.

**General and Administrative** – includes the functions necessary to support the programs, ensure an adequate working environment, secure proper administrative functioning of the management and Board of Directors, and manage the financial and budgetary responsibilities of SAY.

**Development** – provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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**1. Organization, Nature of Activities, and Summary of Significant Accounting Policies, continued**

***Summary of Significant Accounting Policies***

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of SAY and changes therein are classified and reported as follows:

***Net Assets without Donor Restrictions*** – Contributions, grants, and unconditional promises to give by donors without any use or time restrictions. Included in net assets without donor restrictions is board-designated net assets for capital replacement reserves of \$19,935.

***Net Assets with Donor Restrictions*** – Contributions and unconditional promises to give by donors that specify a specific use, period of availability, or the occurrence of a specific future event. Other contributions and unconditional promises to give by donors specify that the assets donated be maintained to provide a permanent source of income. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Cash and Cash Equivalents**

SAY considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash is held in demand accounts at banks and cash balances may exceed the federally insured amounts during the year. SAY has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash and cash equivalents.

**Grants and Contracts Receivable**

Grants and contracts receivable consist of balances due to SAY on grants and contracts. Management periodically evaluates the need for an allowance to reserve for uncollectible receivables. Management determined based on historical collectability that no allowance was necessary as of June 30, 2021 and 2020.

**Pledges Receivable**

Unconditional promises to give cash are reported at fair value at the date the promise is received. All pledges are recorded at the estimated amount to be ultimately realized. Pledge receivables due in more than one year are recorded after being discounted to the anticipated net present value of the future cash flows. A discount rate of 2.25% was used for the years ended June 30, 2021 and 2020, for a present value discount of \$1,461 for June 30, 2021 and 2022. As of June 30, 2021 and 2020, management determined that an allowance for uncollectible pledges of \$66,667 and \$10,665, respectively, were deemed reasonable. The allowance is based on prior collection history and management’s knowledge of individual donors.

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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**1. Organization, Nature of Activities, and Summary of Significant Accounting Policies, continued**

***Summary of Significant Accounting Policies, continued***

**Beneficial Interest in Assets Held by the Community Foundation**

SAY established the Social Advocates for Youth Fund (the “SAY Fund”) as its beneficiary under the administration of the Community Foundation Sonoma County (the “Community Foundation”) in 1995. The SAY Fund provides support to SAY to carry out its mission. The SAY Fund is retained as a permanent endowment with income granted to support SAY’s stated charitable purposes. The Community Foundation distributes grant funds to SAY to be used at the discretion of SAY’s Board of Directors. All grants made are intended to further the SAY Fund’s stated charitable purposes. The amount distributed each year from the Community Foundation’s permanent funds is determined by the current spending rate, which is set annually by the Community Foundation’s Board of Directors, acting on advice from the Community Foundation’s Investment Advisory Committee and its investment managers.

**Property and Equipment, Net**

Property and equipment are stated at cost or, if donated, fair value at the time of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Contributions of cash that must be used to acquire property and equipment are reported as with donor restrictions. Depreciation is computed on the straight-line method over useful lives ranging from three to forty years. It is SAY’s policy to capitalize all property and equipment acquisitions with a cost in excess of \$5,000 and a useful life of more than one year.

Restrictions on donated property and equipment are released once the asset is placed in service.

**Investments**

Investments are stated at fair value. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses that result from sales or maturities of investments are calculated on an adjusted cost basis. Dividend and interest income are accrued when earned.

SAY’s investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

**Fair Value Measurements**

SAY accounts for certain assets and liabilities at fair value or on a basis that approximates fair value. A fair value hierarchy for valuation inputs prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels and is determined by the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are described below:

*Level 1* – Quoted prices are available in active markets for identical assets or liabilities as of the measurement date.

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

**1. Organization, Nature of Activities, and Summary of Significant Accounting Policies, continued**

*Summary of Significant Accounting Policies, continued*

**Fair Value Measurements, continued**

*Level 2* – Pricing inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3* – Pricing inputs are generally unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management’s judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar techniques. SAY did not hold any Level 3 assets as of June 30, 2021 and 2020.

The following tables summarize the fair value classification of cash equivalents and investments as of June 30, 2021 and 2020:

	2021			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 29,797	\$ -	\$ -	\$ 29,797
Investments:				
U.S. common stock	189,362	-	-	189,362
Fixed income	-	569,285	-	569,285
Beneficial interest in assets held by the Community Foundation	-	38,115	-	38,115
Investments total	189,362	607,400	-	796,762
	\$ 219,159	\$ 607,400	\$ -	\$ 826,559
	2020			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 35,998	\$ -	\$ -	\$ 35,998
Investments:				
U.S. common stock	165,398	-	-	165,398
Fixed income	-	559,201	-	559,201
Beneficial interest in assets held by the Community Foundation	-	30,034	-	30,034
Investments total	165,398	589,235	-	754,633
	\$ 201,396	\$ 589,235	\$ -	\$ 790,631

**INDIVIDUALS, NOW  
dba SOCIAL ADVOCATES FOR YOUTH**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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**1. Organization, Nature of Activities, and Summary of Significant Accounting Policies, continued**

***Summary of Significant Accounting Policies, continued***

**Fair Value Measurements, continued**

Fair value of the beneficial interest in assets held by the Community Foundation is measured using the net asset value (“NAV”) as determined by management of the underlying investment funds held at the Community Foundation.

There were no significant transfers to or from Levels 1 or 2 during the year.

**Revenue Recognition**

***Contributions***

Contributions, including grants, are recognized as revenue in the period received or unconditionally promised. Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any such restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

***Client Fees***

Revenue from client fees is recognized as revenue in the period in which the service is provided. Fees that are received but not yet earned are recorded as deferred revenue.

***In-Kind Contributions***

In-kind contributions from services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution.

**Functional Allocation of Expenses**

The cost of providing various programs and activities has been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of SAY. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs, which are allocated on a full-time employee unit basis; and supplies, office costs, depreciation, and other which are allocated based on usage estimates.

**Measure of Operations**

SAY includes in its measure of operations all revenue and expenses that are an integral part of its programs and supporting activities. The measure of operations does not include proceed from the forgiveness of Paycheck Protection Program loan.

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

---

**1. Organization, Nature of Activities, and Summary of Significant Accounting Policies, continued**

***Summary of Significant Accounting Policies, continued***

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions based on management's knowledge and experience. Those estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue, support, and expenses. The use of management's estimates primarily relates to the collectability of grants and contracts receivable and depreciable lives of property and equipment. Actual results could differ from those estimates.

**Income Taxes**

The Internal Revenue Service has determined that SAY is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Franchise Tax Board has determined that SAY is exempt from state income taxes under Section 23701(d) of the California Revenue and Taxation Code. However, SAY is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption, commonly referred to as unrelated business income. No income tax provision has been recorded for the years ended June 30, 2021 and 2020, since management determined that SAY had no unrelated business income. SAY did not have any uncertain tax positions as of June 30, 2021 and 2020.

**Reclassifications**

Certain reclassifications have been made to the 2020 financial statement presentation to correspond to the current year's presentation.

**Change in Accounting Principle**

In May 2014, as part of its ongoing efforts to assist in the convergence of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and International Financial Reporting Standards, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The new guidance sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in U.S. GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in the prior accounting guidance. The ASU provides alternative methods of initial adoption and became effective for private companies for annual periods beginning after December 15, 2019. The new revenue standard is required to be applied retrospectively to each prior reporting period presented or prospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.



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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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**1. Organization, Nature of Activities, and Summary of Significant Accounting Policies, continued**

***Summary of Significant Accounting Policies, continued***

**Change in Accounting Principle, continued**

Effective July 1, 2021, SAY adopted ASU 2014-09 using the modified retrospective method. SAY evaluated the effect of the standard and concluded that the application of the standard does not have a material effect that would require retrospective adjustment. Refer to Note 1 under Organization, Nature of Activities, and Summary of Significant Accounting Policies “Revenue Recognition,” for further information.

**Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842) (“ASU 2016-02”). ASU 2016-02 requires lessees to recognize a right-to-use asset and a lease liability for virtually all leases (other than leases that meet the definition of a short-term lease). In June 2020, the FASB issued ASU 2020-05, which extended the effective date of ASU 2016-02 for fiscal years beginning after December 15, 2022. SAY is in the process of evaluating the impact of ASU 2016-02 on its financial statements.

In July 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities* (Topic 958) —*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The objective of the update is to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. In addition, the update will require contributed nonfinancial assets to be recognized within the statement of activities disaggregated by category that depicts the type of contributed nonfinancial assets. In addition, the ASU will require additional disclosures for each category of contributed nonfinancial assets recognized including:

- Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used.
- The not-for-profit’s policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
- A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
- The valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition.
- The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021, and interim periods with annual reporting periods beginning after June 15, 2022. Early adoption is permitted. The Organization is currently evaluating the impact of the adoption of this accounting guidance on its financial statements and will adopt the new standard for the year ending June 30, 2022.

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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**2. Going Concern and Liquidity and Availability**

While SAY shows positive working capital of \$1,444,785 and \$1,062,402 as of June 30, 2021 and 2020, respectively, SAY showed a negative change in net assets from operations of \$210,404, positive change in net assets of \$709,686 and a positive cash flow from operating activities of \$304,162 for the year ended June 30, 2021. SAY showed a negative change in net assets of \$498,161 and negative cash flows from operating activities of \$84,446 for the year ended June 30, 2020. SAY has unrestricted cash balances of \$1,537,131 and \$1,336,481 as of June 30, 2021 and 2020, respectively. SAY is dependent on contributions from third-party donors as well as federal and local grants.

As of June 30, 2021, SAY has noted an increase in net assets and positive cash flows from operating activities. As of June 30, 2020, SAY noted a decrease in net assets and negative cash flows from operating activities. Whether SAY can maintain an increase in net assets and positive cash flows from operating activities is uncertain. In the future, this uncertainty may cast doubt upon SAY's ability to continue as a going concern.

SAY will need to obtain donations and grants in order to fund its operations. This need may be adversely affected by uncertain market conditions. To address its financing requirements, SAY will seek financing through fund-raising activities. The outcome of these matters cannot be predicted at this time.

SAY has a goal to maintain enough liquid financial assets, which consist of cash and cash equivalents on hand to meet three months of normal operating expenses, which are, on average, approximately \$1,500,000. SAY has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Financial assets available for general expenditure without donor or other restrictions limiting their use within one year of the balance sheet date comprise the following as of June 30:

	2021	2020
Cash and cash equivalents	\$ 1,537,131	\$ 1,336,481
Grants and contracts receivable	638,746	716,133
Pledges receivable	112,886	146,915
Less: assets with donor restrictions not expected to be met in next 12 months	(915,442)	(1,015,201)
Less: capital restrictions on pledges	(17,858)	(67,229)
Less: allowance for uncollectible pledges	(39,914)	(3,984)
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,315,549</u>	<u>\$ 1,113,115</u>

**3. Pledges Receivable, Net**

Unconditional promises to give consist of pledges made to the Dream Center project and SAY Hope Society donation programs. The Dream Center project was established for the development of a new youth campus which opened in January 2016 to provide housing, counseling, and employment and education training to youth. Members of the Hope Society pledge a minimum of \$1,000 for five years to support SAY's operations and services serving youth needs.

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

**3. Pledges Receivable, Net, continued**

The following are scheduled future receipts of pledges receivable, net as of June 30:

	2021	2020
Expected to be collected in:		
Less than one year	\$ 112,886	\$ 146,915
One to five years	76,761	66,380
Total	189,647	213,295
Less: allowance for uncollectible pledges	(66,667)	(10,665)
Less: present value discount	(1,461)	(1,461)
	\$ 121,519	\$ 201,169

The breakdown of pledges receivable, net are as follows as of June 30:

	2021	2020
Capital campaign	\$ 38,244	\$ 104,923
Other	83,275	96,246
	\$ 121,519	\$ 201,169

**4. Property and Equipment, Net**

Property and equipment, net is summarized as of June 30:

	2021	2020
Buildings and improvements	\$ 12,065,134	\$ 12,043,207
Land	1,141,454	1,141,454
Furniture and equipment	295,834	295,834
Vehicles	39,284	39,284
Total	13,541,706	13,519,779
Less: accumulated depreciation	(2,138,058)	(1,818,254)
Property and equipment, net	\$ 11,403,648	\$ 11,701,525

Depreciation expense amounted to \$319,805 and \$342,884 for the years ended June 30, 2021 and 2020, respectively.

**INDIVIDUALS, NOW  
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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

**5. Beneficial Interest in Assets Held by the Community Foundation**

Beneficial interest in assets held by the Community Foundation as of June 30, 2021 and 2020 and the change in beneficial interest for the years then ended, are summarized below:

	2021	2020
Beneficial interest in assets held by Community Foundation	\$ 38,115	\$ 30,034
Change in beneficial interest	\$ 8,081	\$ 977

**6. Notes Payable and Line of Credit**

Notes payable are summarized as follows as of June 30:

	2021	2020
Note payable entered into on May 1, 2018 for \$1,825,770, secured by a deed of trust on the real property, payments bearing 4.93% interest rate per year. Principal and interest payments of \$10,631 from June 1, 2018 to May 31, 2023. Principal and interest payments of \$10,810 from June 1, 2023 to April 30, 2028. Remaining balance plus variable interest due May 1, 2028. In November 18, 2021, SAY refinanced this note into a note with a new principal balance of \$1,331,672, secured by deed of trust on real property, monthly payments of \$9,684 bearing 3.75% interest rate per year. Remaining balance plus variable interest due November 1, 2036.	\$ 1,380,297	\$ 1,525,982
Note payable entered in 1993, \$47,000 secured by deed of trust on the Coffee House Teen Shelter property, interest-only payments bearing 3% interest rate per year. Principal and unpaid interest due August 2023. Accrued interest was \$39,356 and \$37,946 for the years ended June 30, 2021 and 2020, respectively.	47,000	47,000
Small Business Administration loan under the Paycheck Protection Program (“PPP”) following the COVID-19 pandemic, dated April 27, 2020, in the amount of \$911,178. No payment is due until the beginning of the seventh month after disbursement. The loans and accrued interest are eligible for forgiveness after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period. The loan and accrued interest were fully forgiven on April 22, 2021.	-	911,178
	\$ 1,427,297	\$ 2,484,160

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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**6. Notes Payable and Line of Credit, continued**

Future principal payments on the long-term debt as of June 30, 2021 are as follows:

Year ending June 30:	
2022	\$ 179,687
2023	235,748
2024	198,668
2025	209,103
2026	220,086
2027 and thereafter	<u>384,005</u>
	<u>\$ 1,427,297</u>

The note payable entered into May 1, 2018 was subject to various reporting and financial covenants. As of June 30, 2021 and 2020, SAY was in compliance with the covenant requirements.

For the years ended June 30, 2021 and 2020, total interest expense incurred for the notes payable was \$94,165 and \$68,114, respectively. For the years ended June 30, 2021 and 2020, total interest expense incurred for the Coffee House note payable was \$1,410.

SAY has available a line of credit for \$400,000 due July 1, 2021, secured by SAY's personal property and real property. The line bears interest which is subject to change based on the Lender's Prime Rate. The effective rate as of June 30, 2021 was 5.50%. The line of credit was not extended and there was no amount outstanding as of June 30, 2021 or 2020.

**7. Use Obligation - Donated Property**

SAY was the beneficiary of a building and land donation during the year ended June 30, 2015, which has a required leaseback by the donor for a portion of the building. The lease terms allow the donor to occupy a portion of the building for \$1 per year for ten years and also includes two five-year option clauses. The donor must pay for its share of common area maintenance and repair expenses. The gift of the building and land were recorded at the fair value of the asset and the present value of the related amount due was recorded as a liability based on the twenty-year term of the lease. The liability is adjusted annually. For the years ended June 30, 2021 and 2020, this adjustment amounted to \$24,795 and \$23,840, respectively, and are included in other income.

Future adjustments to the liability are as follows:

Year ending June 30:	
2022	\$ 25,788
2023	26,818
2024	27,891
2025	29,007
2026	30,167
2027 and thereafter	<u>299,660</u>
	<u>\$ 439,331</u>

**INDIVIDUALS, NOW  
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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

**8. Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for a variety of purposes. Net assets with donor restrictions as of June 30, 2021 and 2020 and net assets released from restrictions for the years ended June 30, 2021 and 2020 were as follows:

	2021	
	Released	With Donor Restrictions
Dream Center project/programs	\$ 276,202	\$ 870,742
Fund development initiatives	82,000	25,852
Employment programs	11,421	14,065
Tamayo Village	89,443	85,566
Counseling programs	76,053	133,947
Change in beneficial interest	-	8,081
Endowment fund investments	-	28,784
	\$ 535,119	\$ 1,167,037
Total		
	2020	
	Released	With Donor Restrictions
Dream Center project/programs	\$ 250,277	\$ 1,066,946
Fund development initiatives	56,900	114,956
Employment programs	38,305	25,486
Tamayo Village	59,991	25,009
Counseling programs	45,000	-
Change in beneficial interest	-	977
Endowment fund investments	-	20,149
	\$ 450,473	\$ 1,253,523
Total		

Beneficial interest in assets held by the Community Foundation, known as the SAY Fund administered by the Community Foundation, are held as investments in perpetuity, the income and appreciation from which may be expended to support the SAY Fund's stated charitable purpose. The purpose of the SAY Fund is to carry out SAY's role and mission to offer a range of integrated educational, counseling, and psychotherapeutic services at times of growth, crisis, or severe ongoing problems in the lives of youth and their families.

**INDIVIDUALS, NOW  
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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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**9. Contracts and Grants**

SAY is supported primarily through government contracts. Grants and contributions received are considered available for general operations unless specifically restricted by the donor. Contributions are recorded as restricted support if they are received with grantor stipulations that limit the use of the contributed assets. When a grantor restriction expires, that is, when a stipulated purpose restriction is accomplished, or donor restrictions are satisfied by the passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. Any funding received in advance of expenditure is recorded as refundable advances. Any eligible expenditure made in advance of funding is recorded as a receivable.

A portion of SAY's revenue is derived from federal contracts and grants with various conditions, which include cost reimbursement based on allowable qualifying expenses. Amounts received are recognized as revenue when SAY has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as advances received in the statement of financial position. There were no amounts received in advance as of June 30, 2021 and 2020. Conditional grants received by SAY that have not been recognized, because the cost reimbursement conditions have not yet been met, were \$6,259,252 and \$6,129,387 as of June 30, 2021 and 2020, respectively.

Grants and contracts awarded to SAY are subject to the funding agencies' criteria, contract terms and regulations under which expenditures may be charged and are subject to audit under such terms, regulations and criteria. Occasionally such audits may determine that certain costs incurred against the grants do not comply with the established criteria that govern them. In such cases, SAY could be held responsible for repayments to the funding agency for the costs or be subject to the reductions of future funding in the amount of the costs.

Subsequent to the year ended June 30, 2021, SAY was notified by Sonoma County ("the County") of potential over drawing of funds for certain pass-through grants from the County. The County conducted an audit of certain grants to determine the amount potentially reimbursable to the County. The audit concluded January 19, 2022 and there are no amounts due to the County.

**10. Retirement Plan**

On January 1, 2017, SAY transitioned the SIMPLE IRA Plan into a 401(k) Plan for employees. Eligible employees may contribute specified amounts to the plan, but not in excess of amounts allowed by the Internal Revenue Code. The plan allows for a discretionary matching contribution which is determined by SAY annually. SAY matched \$18,781 and \$19,998 of employee contributions during the years ended June 30, 2021 and 2020, respectively.

**11. Operating Leases**

SAY leases equipment at its administrative office and two residential facilities under operating leases with expiration dates through February 2024.

Total rent expense for office space and equipment under operating leases was \$11,575 and \$13,456 for the years ended June 30, 2021 and 2020, respectively.

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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**11. Operating Leases, continued**

Future minimum lease payments under non-cancelable operating leases for the equipment leases as of June 30, 2021, were as follows:

Year ending June 30:		
2022	\$	10,200
2023		10,200
2024		10,200
2025		8,732
2026		5,616
		<hr/>
	\$	44,948

**12. Commitments, Contingencies, Risks and Uncertainties**

SAY receives a significant portion of its funding from government agencies. Government grants and contracts comprised approximately 75% and 81% of total revenue for the years ended June 30, 2021 and 2020, respectively. In addition, grants and contract receivables consisted almost entirely of government grants and contract receivables as of June 30, 2021 and 2020. For the year ended June 30, 2021, three grants or contracts made up 10%, 18%, and 27% of total receivables. For the year ended June 30, 2020, three grants or contracts made up 10%, 14%, and 26% of total receivables. Changes in economic conditions or government policies could affect the continued receipt of such funding.

As of June 30, 2021, \$95,000 was due from two individual donors. As of June 30, 2020, \$51,000 was due from two individual donors.

Occasionally, SAY is involved in legal actions arising from normal business activities. Management, upon advice of legal counsel handling such actions, believes that the ultimate resolution of any such actions will not have a material adverse effect on SAY's financial position or change in net assets.

The ongoing global COVID-19 pandemic has resulted in governments around the world implementing increasingly stringent measures to help control the spread of the virus, including business shutdowns, travel restrictions, border closings, restrictions on public gatherings, shelter-in-place restrictions, and limitations on business. The extent of any impact will depend on various factors including but not limited to new outbreaks as communities reopen, return to lockdown if required, the nature of government public health guidelines, public adherence to those guidelines, the impact of government economic relief on the world economies, unemployment levels, success of businesses reopening, timing for proven treatments and vaccines for COVID-19. For this reason, uncertainty and a risk of loss exist as to the ongoing effects of this event, which may include decreases in investment income and cash flow, and volatility in investment markets. SAY has been impacted with the risk of outbreaks and necessary measures due to operations for shelters and congregate living.

**13. Subsequent Events**

Other than events described in Note 6 and Note 9, management has evaluated all events and transactions that occurred after June 30, 2021 up through February 23, 2022, the date these financial statements were available to be issued. Management concluded that no events have occurred outside the normal course of operations which would require additional disclosure or adjustment.



## **SUPPLEMENTARY INFORMATION**

**INDIVIDUALS, NOW  
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Domestic Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Department of Labor</b>			
<b><i>WIA Youth Activities</i></b>			
Pass-through from County of Sonoma Youth Education and Employment Services	17.259	ET-SAY-MPP-2021	\$ 266,707
<b>Total Department of Labor</b>			<u>266,707</u>
<b>Department of Health and Human Services</b>			
<b><i>Basic Center Grant</i></b>			
FYSB Runaway Shelter	93.623	90CY7019-02-00	66,735
FYSB Runaway Shelter	93.623	90CY7019-02-C3	29,399
FYSB Runaway Shelter	93.623	90CY6740-03-00	<u>120,417</u>
<b>Total Basic Center Grant</b>			<u>216,551</u>
<b><i>Street Outreach Program</i></b>			
FYSB Street Outreach Program	93.557	90YO2388-01-00	77,442
FYSB Street Outreach Program	93.557	90YO2388-02-00	119,068
FYSB Street Outreach Program	93.557	90YO2388-01-C3	<u>5,814</u>
<b>Total Street Outreach Program</b>			<u>202,324</u>
<b><i>Parent and Youth Program</i></b>			
FYSB Parent and Youth Program	93.550	90CX7323-01-00	104,610
FYSB Parent and Youth Program	93.550	90CX7323-02-00	250,931
FYSB Parent and Youth Program	93.550	90CS7323-01-C3	<u>59,948</u>
<b>Total Parent and Youth Program</b>			<u>415,489</u>
<b><i>Temporary Assistance to Needy Families</i></b>			
Pass-through from County of Sonoma Youth Education and Employment Services	93.558	ET-SAY-MPP-2021	<u>40,842</u>
<b>Total Department of Health and Human Services</b>			<u>875,206</u>
<b>Department of Housing and Urban Development</b>			
Supportive Housing Program	14.235	CA1305L9T041904	206,152
Pass-through from Sonoma County Community Development Commission			
Rapid Housing	14.231	18-ESG-12348	27,662
Short- Term Shelter	14.231	18-ESG-12348	189,215
COVID-19-Short-term Shelter	14.231	18-ESG-12348	<u>78,672</u>
<b>Total Department of Housing and Urban Development</b>			<u>501,701</u>

**INDIVIDUALS, NOW  
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**

For the year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Domestic Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Department of Justice</b>			
Victims of Crime Act	16.575	KE20 03 1310	221,526
Victims of Crime Act	16.575	KE19 01 1310	119,447
Victims of Crime Act	16.575	XH19 02 1310	136,135
Victims of Crime Act	16.575	XH20 03 1310	136,086
Pass-through from Sonoma County District Attorney			
Victims of Crime Act	16.575	KI20 03 0490	27,232
Victims of Crime Act	16.575	KI19 02 0490	<u>37,683</u>
<b>Total Department of Justice</b>			<u>678,109</u>
<b>Federal Emergency Management Agency</b>			
COVID 19 Shelter- CDC	97.036	SAY COVID19 Shelter	<u>124,452</u>
<b>Total Federal Emergency Management Agency</b>			<u>124,452</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 2,446,175</u></u>

**INDIVIDUALS, NOW  
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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2021

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**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Individuals, Now dba Social Advocates for Youth (“SAY”) and is presented on the accrual basis of accounting. The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activities of SAY under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 of the U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SAY, it is not intended to and does not present the financial position, changes in net assets, or cash flows of SAY.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Costs**

Indirect costs on federal awards for fiscal 2021 were recovered using the de minimis indirect rate of 10%, as allowed on the county pass through contracts. Federal contracts were not charged an indirect rate.

## INDEPENDENT AUDITORS' 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*

The Board of Directors  
Individuals, Now dba Social Advocates for Youth  
Santa Rosa, 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 Individuals, Now dba Social Advocates for Youth (a nonprofit organization) ("SAY"), 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 February 23, 2022.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SAY's 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 SAY's internal control. Accordingly, we do not express an opinion on the effectiveness of SAY's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

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

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

BPM LLP

San Jose, California  
February 23, 2022

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors  
Individuals, Now dba Social Advocates for Youth  
Santa Rosa, California

### Report on Compliance for Its Major Federal Program

We have audited Individuals, Now dba Social Advocates for Youth (a nonprofit organization) ("SAY"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SAY's major federal programs for the year ended June 30, 2021. SAY's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of SAY's compliance.

### Opinion on Each Major Federal Program

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

## Report on Internal Control Over Compliance

Management of SAY is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SAY's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SAY's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BPM LLP

San Jose, California  
February 23, 2022



**INDIVIDUALS, NOW  
dba SOCIAL ADVOCATES FOR YOUTH**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the year ended June 30, 2021

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**Section I – Summary of Auditors’ Results**

***Financial Statements***

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued:                      | Unmodified |
| 2. Internal control over financial reporting:            |            |
| • Material weaknesses identified?                        | No         |
| • Significant deficiencies identified?                   | None noted |
| 3. Noncompliance material to financial statements noted? | No         |

***Federal Awards***

- |   |   |
|---|---|
| 4. Internal control over major programs:  |   |
| • Material weaknesses identified?   | No  |
| • Significant deficiencies identified?  | None noted                                |
| 5. Type of auditors’ report issued on compliance for major programs:  | Unmodified                                |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No  |
| 7. Identification of major programs:  |   |
| <u>CFDA Number</u>  | <u>Name of Federal Program or Cluster</u> |
| 14.231  | Rapid Housing and Short-term Shelter      |
| 16.575  | Victims of Crime Act (VOCA)               |
| 8. Dollar threshold used to distinguish between Type A and Type B Programs:                                   | \$750,000                                 |
| 9. Auditee qualified as low-risk auditee?   | No  |

**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Findings and Questioned Costs**

No matters were reported.