

Community Resources for Independent Living

**Independent Auditor's Report
&
Financial Statements**

**For the Fiscal Year Ended June 30, 2023
(With Summarized Financial Information as of June 30, 2022)**



Certified Public Accountant

Community Resources for Independent Living
(A California Nonprofit Corporation)

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Independent Auditor's Report

Board of Directors
Community Resources for Independent Living
Hayward, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Resources for Independent Living (CRIL), a nonprofit organization, which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Resources for Independent Living as of June 30, 2023, and the changes in its net assets, and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CRIL and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on pages 25-26 is not a required part of the basic financial statements but is supplementary information requested by the California Department of Social Services. 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 States of America. In our opinion, the schedule of expenditures of federal awards 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 March 25, 2024 on our consideration of CRIL's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal

CRIL

Independent Auditor's Report Continued

control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CRIL's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CRIL's internal control over financial reporting and compliance.

JRB Accountancy

Hayward, California

March 25, 2024

Community Resource for Independent Living
Statement of Financial Position
June 30, 2023
(With Summarized Financial Information as of June 30, 2022)

Assets	2023	2022
Current Assets		
Cash and Cash Equivalents	\$ 938,315	\$ 772,420
Grants Receivable (Note 2)	247,939	217,930
Prepaid Expenses	<u>13,953</u>	<u>30,118</u>
Total current assets	<u>1,200,207</u>	<u>1,020,468</u>
Property and Equipment		
Land	54,271	54,271
Building & Improvements	818,901	768,967
Tenant Improvements	22,404	22,404
Equipment & Furniture	<u>76,562</u>	<u>76,562</u>
	972,138	922,204
Accumulated Depreciation	<u>(612,443)</u>	<u>(593,388)</u>
Net property and equipment	<u>359,695</u>	<u>328,816</u>
 Total Assets	 <u>\$ 1,559,902</u>	 <u>\$ 1,349,284</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 17,208	\$ 19,463
Accrued Vacation (Note 5)	29,184	26,377
Refundable Advances	<u>69,530</u>	<u>-</u>
Total current liabilities	<u>115,922</u>	<u>45,840</u>
 Net Assets		
Without Donor Restrictions	<u>1,443,980</u>	<u>1,303,444</u>
 Total Liabilities and Net Assets	 <u>\$ 1,559,902</u>	 <u>\$ 1,349,284</u>

See notes to financial statements

Community Resource for Independent Living
Statement of Activities
For the Fiscal Year Ended June 30, 2023
(With Summarized Financial Information as of June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023	2022
Support and Revenue				
Government grants and contracts	\$ -	\$ 1,020,051	\$ 1,020,051	\$ 780,469
Non-government grants and contracts		77,625	77,625	165,851
Contributions	23,477		23,477	4,660
Dividend	364		364	507
Fees for Services	113,318		113,318	198,435
Interest income	850		850	89
Miscellaneous revenue	4,472		4,472	110,459
Realized gain/(loss)			-	601
Unrealized gain/(loss)	3,209		3,209	(1,976)
Net assets released from restrictions				
Restrictions satisfied by payments	1,097,676	(1,097,676)	-	-
Total Revenue	<u>1,243,366</u>	<u>-</u>	<u>1,243,366</u>	<u>1,259,095</u>
Expenses				
Program expenses	922,086		922,086	887,150
Management expenses	180,744	-	180,744	175,198
Total Expenses	<u>1,102,830</u>	<u>-</u>	<u>1,102,830</u>	<u>1,062,348</u>
Change in Net Assets	140,536	-	140,536	196,747
Net Assets, Beginning of Fiscal Year	<u>1,303,444</u>	<u>-</u>	<u>1,303,444</u>	<u>1,106,697</u>
Net Assets, End of Fiscal Year	<u>\$ 1,443,980</u>	<u>\$ -</u>	<u>\$ 1,443,980</u>	<u>\$ 1,303,444</u>

See notes to financial statements

Community Resource for Independent Living
Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2023
(With Summarized Financial Information as of June 30, 2022)

	Program	Management	Fundraising	2023	2022
Salaries and related expenses					
Salaries	\$ 444,069	\$ 90,021	\$ -	534,090	587,253
Payroll taxes	33,958	14,646		48,604	47,003
Employee benefits	81,425	26,532		107,957	83,575
Payroll expenses	697	8,314	-	9,011	9,107
Subtotal salaries and expenses	560,149	139,513	-	699,662	726,938
Operating expenses					
Consultants and outside services	86,513	13,988		100,501	56,688
Depreciation expense		19,053		19,053	15,272
Dues and subscriptions	7,967	4,487		12,454	15,559
Equipment rentals	59,953			59,953	25,565
Equipment repairs and maintenance	70,320			70,320	63,686
Insurance	9,014			9,014	8,141
Janitorial				-	12,000
Legal and accounting				-	29,381
Miscellaneous	6,612	1,797		8,409	3,203
Postage	8,723	750		9,473	5,761
Printing and copying	9,557			9,557	9,668
Rent	9,524			9,524	12,419
Staff and board recognition				-	1,910
Staff development	12,695	208		12,903	2,679
Supplies	45,196	23		45,219	45,372
Taxes and licenses		518		518	508
Telephone	16,329			16,329	13,263
Travel	7,888	407		8,295	2,987
Utilities	11,646	-	-	11,646	11,348
	<u>\$ 922,086</u>	<u>\$ 180,744</u>	<u>\$ -</u>	<u>\$ 1,102,830</u>	<u>\$ 1,062,348</u>

See notes to financial statements

Community Resource for Independent Living
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023
(With Summarized Financial Information as of June 30, 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 140,536	\$ 196,747
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	19,053	15,272
Gain from debt forgiveness	-	(108,210)
Grants Receivable	(30,009)	(38,787)
Prepaid Expenses	16,165	(5,999)
Accounts Payable and Accrued Expenses	(2,253)	(1,088)
Accrued Vacation	<u>2,807</u>	<u>5,057</u>
Net cash provided by operating activities	215,829	62,992
Cash flows from investing activities		
Purchase of fixed assets	<u>(49,934)</u>	<u>(30,641)</u>
Net cash used by investing activities	(49,934)	(30,641)
Net increase in cash and cash equivalents	165,895	32,351
Cash and cash equivalents at beginning of year	<u>772,420</u>	<u>740,069</u>
Cash and cash equivalents at end of year	<u><u>\$ 938,315</u></u>	<u><u>\$ 772,420</u></u>

See notes to financial statements

Community Resources for Independent Living
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Nature of Activities – Community Resources for Independent Living (CRIL), Inc. is a nonprofit California Corporation established in March 1979 for the purpose of serving persons of any age who have a disability with programs and activities designed to enhance lifestyles and increase opportunities for full participation in the life of the community.

CRIL, Inc. is a cross-disability, community-based organization. Anyone with a disability is eligible for services regardless of race, color, national origin, gender identity, sexual orientation, age, marital status, familial status, religion, or human immunodeficiency virus (HIV) status.

CRIL, Inc. supports, empowers, and teaches skills to persons with disabilities so that they may more fully participate in community and life activities. CRIL, Inc. teaches and advocates for change to remove barriers to access for persons with disabilities.

CRIL, Inc. derives a substantial portion of its support and revenue from reimbursement type grants with the State of California or local jurisdictions of the State. Grants may involve some pass thru funds of the Federal Government.

The Corporation's Mission Statement is:

"Community Resources for Independent Living is a peer-based disability resource agency that advocates and provides resources for people with disabilities to improve lives and make communities fully accessible."

- B. Basis of Accounting – CRIL's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded as incurred. Revenues from grants and donations are recognized in the fiscal year in which all eligible requirements have been satisfied and the resources are available.
- C. Financial Statement Presentation - The Financial Accounting Standards Board (FASB) issued, in its Accounting Standards Codification (ASC) No. 958, Accounting Standards Update 2016-14, which requires improved presentation and disclosures to help not-for-profit entities provide more relevant information about their resources to donors, grantors, creditors, and other users. These improvements apply to qualitative and quantitative requirements in net asset classes, investment return, expenses, liquidity and availability of resources, and presentation of operating cash flows.
- D. Classification of Net Assets - Net assets of CRIL are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Community Resources for Independent Living
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2023

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the foundation. Certain restrictions may be need to be maintained in perpetuity.

- E. Cash Equivalents – For purposes of reporting cash flows, cash and cash equivalents include all highly liquid debt instruments purchased with a maturity of three months or less. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.
- F. Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.
- G. Property and Equipment – CRIL capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, CRIL reports expirations of donor restrictions when the donated or acquired assets are placed in service. CRIL reclassified net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is computed using primarily the straight-line method with a five-year life.
- H. Functional Allocation of Expenses – The costs of providing services of CRIL have been summarized on a functional basis in the statement of functional expenses. Management and general expenses have been allocated among the programs based upon an estimation of personnel time and space utilized for the related activities.

Community Resources for Independent Living
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2023

- I. Bad Debts – Bad debts are provided for by the direct write-off method of accounting which approximates the same result that would be achieved under a generally accepted accounting method.
- J. Income Taxes – CRIL is a not for profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. CRIL is classified as other than a private foundation. Therefore, no provision for income taxes has been made.
- K. 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 those estimates.
- L. Contributed Services – Contributed services are recognized as contributions in accordance with *Financial Accounting Standards Board* (FASB) in its *Accounting Standards Codification (ASC) No. 958*. No amounts have been reflected in the financial statements for donated services. CRIL generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist CRIL at the residents’ facilities, but these services do not meet the criteria for recognition as contributed services.
- M. Contributed Services – Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Some of the contributions are subject to restrictions and are earned as payments are made for allowable costs. These contributions are on a reimbursement basis and subject to limitations in funding level and program requirements.
- N. Contingencies – CRIL receives grants and contracts which are restricted for a specific program or purpose. Many of these agreements provide for the possibility of audits by the funding agency. Should such audits disclose that conditions had not been met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the grantor. It is management’s opinion that all grant conditions have been met for grants which have been either recorded as unrestricted or for which donor restrictions have been released.
- O. Concentrations – CRIL receives a significant portion of its revenue from grants and contracts from governmental agencies; thus CRIL is subject to possible cutbacks to changes in funding priorities. During the year ended June 30, 2023, CRIL received approximately 90.2% percent of its gross public support and revenue from grants and contracts.

**Community Resources for Independent Living
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2023**

- P. Fair Value Measurement – CRIL categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the evaluation technique used to determine fair value in accordance with accounting standards.
- Q. Comparative Information – The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CRIL’s financial statements for the fiscal year ended June 30, 2022, from which the summarized information was derived.

NOTE 2 – GRANTS AND CONTRACTS RECEIVABLE

Grants receivable are deemed to be fully collectible by management. Therefore, an allowance for uncollectible accounts has not been recorded. Detailed balances of the receivables at June 30, 2023 were as follow:

	<u>2023</u>	<u>2022</u>
Aging & Disability Resource Connection	\$111,601	\$ 59,064
US Aging	34,626	
Disability Disaster Access Resource	26,388	14,714
Department of Rehabilitation VIIB	14,574	60,972
Department of Rehabilitation VO	4,000	
UC	6,682	
Admin on Community Living	4,997	-
CFILC	4,150	3,488
Emergency Rental Assistance Program	2,854	14,740
Housing and Human Social Service Grants		
City of Fremont	14,448	18,520
City of Pleasanton	4,685	7,021
City of Dublin	6,202	4,594
City of Hayward	4,336	9,540
City of Union City	4,000	6,046
Others	<u>4,396</u>	<u>15,743</u>
Total	<u>\$247,939</u>	<u>\$217,930</u>

NOTE 3 – LINE OF CREDIT

CRIL maintains an unsecured \$150,000 line-of-credit with its bank. Interest is payable at 7.75 percent. At June 30, 2023, there was no balance outstanding against this line of credit.

NOTE 4 – LEASE COMMITMENTS

CRIL primarily operates from its headquarter offices in Hayward which are owned by the organization. A branch office in Fremont (\$445/mo.) is on a one-year lease, and a branch

Community Resources for Independent Living
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2023

office in Livermore with an in-kind lease and no rent paid. CRIL also leases monthly space for battery storage. Rent expense for the fiscal years ended June 30, 2023 totaled \$9,524 and 12,419 for the fiscal year ended June 30, 2022. The Livermore office was temporarily closed during the fiscal years end June 30, 2021 and June 30, 2022.

NOTE 5 – COMPENSATED ABSENCES – ACCRUED VACATION

CRIL allows for the accrual of vacation days earned by employees to be carried forward annually and payable upon termination. The estimated liability reported for compensated absences for the fiscal year ended June 30, 2023 and 2022 is \$29,184 and \$26,377, respectively.

NOTE 6 – INVESTMENTS AND TRUST

CRIL holds short-term investments in certificates of deposit and long-term investments in mutual funds. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position.

Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

Investments are the only assets measured at fair value on a recurring basis. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets.

Level 2: Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisals or other means such as calculations based on contractual rates and published tables. participates in the 501(c) Agency Trust for unemployment insurance in lieu of paying state unemployment insurance (SUI) directly to the EDD. CRIL’s reserve account balance at June 30, 2023 was \$40,465. A large amount of unemployment claims charged against CRIL would likely result in additional payment required from CRIL to be paid to the trust. This amount cannot be estimated and no liability is recorded for it.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets at fair value at June 30, 2023, are as follows:

	<u>2023</u>	<u>2022</u>
Short-term investments:		
Certificate of Deposits	\$42,921	\$42,921
Long-term investments:		
Mutual Funds	\$32,340	\$28,768

Community Resources for Independent Living
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2023

NOTE 7 – UNCERTAIN TAX POSITIONS

Pursuant to FASB ASC Subtopic 740-10, (which incorporates most of former FASB Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes*), CRIL reviews and assesses all activities annually to identify any changes in the scope of the activities and revenue sources and the tax treatment thereof to identify any uncertain tax positions. At June 30, 2023, management did not identify any uncertain tax positions requiring recognition or disclosure in these financial statements. Tax years reasonably considered open and subject to examination include federal returns for the fiscal years ended June 30, 2020 through 2023 and California state returns for the fiscal years ended June 30, 2019 through 2023.

NOTE 8 – SUBSEQUENT EVENTS

CRIL has evaluated subsequent events through March xx, 2024, the date which the financial statements were available to be issued. No events requiring disclosures have occurred through this date.

**Community Resource for Independent Living
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023**

	Federal CFDA Number	Pass- Through Number	Federal Expenditures
<u>Federal</u>			
Social Security Administration			
CA Department of Rehabilitation, AB 204 - Reimbursement from SSA			
AB204	93.369	31673	144,900
General Fund	93.369	31679	179,666
VIIB	93.369	31673	87,473
U.S. Department of Health & Human Services			
Administration for Community Living			
ACL	93.048	2209CAIL CL	102,130
ACL Cares Act	93.048	2209CAIL CL	20,126
ACL Pub Health	93.048	2209CAIL CL	3,823
ACL Vaccine	93.048	2209CAIL CL	1,617
California Department of Aging			
ADRC	93-048	28650	168,621
ADRC DD Cares	93-048	28650	66,421
US Aging			
ADVC	93-048	28650	1,513
Memorial Hermann Health System			
DVAO	93-224		41,753
California Foundation for Independent Living Centers			
DLDC	93.464	30833	21,447
U.S. Department of Treasury			
The Alameda County Housing & Community Development			
ERAP	21.023	22373	24,219
			\$ 863,709

NOTE 1 -BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the Community Resource for Independent Living and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of, the basic financial statements.

**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Board of Directors
Community Resources for Independent Living
Hayward, California

We have audited, in accordance with auditing standards generally accepted in 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 Community Resources for Independent Living (CRIL), which comprise the statement of financial position as of June 30, 2023, and the related statement of activities, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CRIL's internal control over financial reporting (internal control) to determine the auditing 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 our opinion on the effectiveness of CRIL's internal control. Accordingly, we do not express an opinion on the effectiveness of CRIL'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. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CRIL's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

JRB Accountancy

Hayward, California
March 25, 2024

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Community Resources for Independent Living
Hayward, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Community Resources for Independent Living's (CRIL) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CRIL'S major federal programs for the fiscal year ended June 30, 2023. CRIL'S major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CRIL 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 fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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.

JRB Accountancy

Hayward, California
March 25, 2024

Community Resources for Independent Living
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I
Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on the basic financial statements of the Authority: Unmodified opinion.

Internal control over financial reporting:

- ◆ Material Weakness(es) identified? No
- ◆ Reportable condition(s) identified that are not considered to be material Weaknesses? No

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- ◆ Material Weakness(es) identified? No
- ◆ Reportable condition(s) identified that are not considered to be material Weaknesses? No

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? None

Identification of major programs? Social Security Administration- CFDA # 93.369 AB 204

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

Auditee qualified as a low-risk auditee? Yes

Community Resources for Independent Living
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II
Financial Statement Findings

None

Section III
Federal Award Findings and Questioned Costs

None

Community Resources for Independent Living
Status of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

None.