



COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED AT

JUNE 30, 2020

devant

Certified Public Accountants

3007 Douglas Blvd Suite 155 Roseville, CA 95815 916.822.5128

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC

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JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

January 20, 2022

Board of Directors
Community Resources for Independent Living, Inc.
Hayward, California

Report on the Financial Statements

We have audited the accompanying financial statements of the nonprofit entity Community Resources for Independent Living (CRIL), Inc., which is comprised of the Statement of Financial Position as of June 30, 2020, Statement of Activities and Change in Net Assets, Statements of Functional Expenses, Statement of Cash Flows and the related notes to the financial statements for the years then ended.

Management Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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Community Resources for Independent Living, Inc.
Independent Auditor's Opinion
(Continued)

Auditor's Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Resources for Independent Living, Inc. as of June 30, 2020 and the statement of activities and changes in net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2022, on our consideration of CRIL, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CRIL, Inc.'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, Inc.'s internal control over financial reporting and compliance.

Other Matter

The financial statements of Community Resources for Independent Living, Inc. for the year ended June 30, 2019, were audited by the predecessor auditor who expressed an unmodified opinion on these statements on April 30, 2020.

Devant CPAs

Devant
Certified Public Accountants

January 20, 2022

BASIC FINANCIAL STATEMENTS

COMMUNITY RESOURCES FOR INDEPENDENT LIVING

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2020 AND 2019

ASSETS

Current Assets	2020	2019
Cash on hand and in bank	\$ 600,922	470,833
Grants and contracts receivable (Note 3)	175,490	216,742
Unconditional promises to give (Note 5)	-	332,617
Prepaid expenses	14,294	8,058
Total Current Assets	790,706	1,028,250
Property and equipment, net (Note 4)	324,030	342,693
Other Assets:		
Deposit (Note 6)	1,143	2,082
TOTAL ASSETS	\$ <u>1,115,879</u>	\$ <u>1,373,025</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable and accrued expenses	\$ 22,185	\$ 756
Accrued vacations	26,211	33,075
Paycheck Protection Program loan (Note 7)	94,300	-
Total Current Liabilities	142,696	33,831
Net Assets		
Without donor restrictions	923,183	929,285
With donor restrictions	50,000	409,909
Total Net Assets	973,183	1,339,194
TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,115,879</u>	\$ <u>1,373,025</u>

See Independent Accountant's Audit Report.

The accompanying notes to financial statements are an integral part of this financial statement.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS		TOTALS	
					2020	2019
SUPPORT AND REVENUE:						
Government Grants and Contracts	\$	-	\$	709,478	\$	709,478
Non-Government Grants and Contracts (Note 8)		-		2,517		2,517
Contributions		39,610		-		39,610
Fees for Services		43,515		-		43,515
Fundraising		25,630		-		25,630
Interest		304		-		304
In-kind Rent and Donations		1,200		-		1,200
Miscellaneous Revenue		2,046		-		2,046
Unrealized gain/loss Investment		1,811		-		1,811
		<u>114,116</u>		<u>711,995</u>		<u>826,111</u>
Total Support		114,116		711,995		826,111
Net assets released from restriction		<u>711,995</u>		<u>(711,995)</u>		<u>-</u>
Total Support and Revenue		826,111		-		826,111
EXPENSES						
Program Services		766,902		-		766,902
Support Services						680,925
Management and general		55,963		-		55,963
Fundraising and development		9,348		-		9,348
		<u>65,311</u>		<u>-</u>		<u>65,311</u>
Total Support Services		65,311		-		64,696
Total Expenses		<u>832,213</u>		<u>-</u>		<u>832,213</u>
		<u>65,311</u>		<u>-</u>		<u>65,311</u>
Total Expenses		832,213		-		745,621
Changes in net assets		(6,102)		-		(6,102)
Prior period adjustment		-		(359,909)		(359,909)
NET ASSETS, Beginning of Year		<u>929,285</u>		<u>409,909</u>		<u>1,339,194</u>
NET ASSETS, End of Year	\$	<u><u>923,183</u></u>	\$	<u><u>50,000</u></u>	\$	<u><u>973,183</u></u>
					\$	<u><u>1,339,194</u></u>

See Independent Accountant's Audit Report.

The accompanying notes to financial statements are an integral part of this financial statement.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	SUPPORT SERVICES			TOTAL SUPPORT SERVICES	TOTALS	
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING AND DEVELOPMENT		2020	2019
Salaries and related expenses						
Salaries	\$ 465,315	\$ 24,697	\$ -	\$ 24,697	\$ 490,012	\$ 431,829
Payroll taxes	47,879	2,541	-	2,541	50,420	41,917
Employee benefits	62,311	3,307	-	3,307	65,618	44,927
Total salaries and related expenses	<u>575,505</u>	<u>30,545</u>	<u>-</u>	<u>30,545</u>	<u>606,050</u>	<u>518,673</u>
Operating expenses						
Accommodations	153	-	-	-	153	3,041
Bad debts	-	-	-	-	-	7,468
Building repairs and maintenance	14,685	-	-	-	14,685	15,783
Cares Act Expenses	10,267	-	-	-	10,267	-
Consultants and outside services	43,442	-	-	-	43,442	57,084
Depreciation	-	18,664	-	18,664	18,664	19,434
Dues, books and publications	6,574	-	-	-	6,574	8,290
Employee recruitment	3,009	-	-	-	3,009	691
Equipment rents	265	-	-	-	265	97
Equipment repairs and maintenance	6,018	-	-	-	6,018	4,805
Fundraising	-	-	9,348	9,348	9,348	1,518
In-Kind rent	1,211	-	-	-	1,211	1,200
Insurance	9,410	499	-	499	9,909	12,881
Interest and service charges	161	-	-	-	161	166
Internet and IT Services	2,728	-	-	-	2,728	-
Late fees	137	-	-	-	137	154
Legal and accounting	4,883	-	-	-	4,883	5,074
Meeting costs/refreshments	-	1,848	-	1,848	1,848	4,688
Outreach	315	-	-	-	315	530
Postage	1,600	-	-	-	1,600	2,344
Printing and copying	2,326	-	-	-	2,326	99
Rent	3,931	-	-	-	3,931	3,895
Security Service	232	-	-	-	232	-
Staff and board recognition	978	-	-	-	978	678
Staff development	4,317	762	-	762	5,079	1,992
Supplies	33,380	1,749	-	1,749	35,129	31,444
Supplies-(AT Loan Program)	3,034	-	-	-	3,034	3,757
Taxes and licenses	521	10	-	10	531	(6,007)
Telephone	14,025	744	-	744	14,769	14,215
Travel	12,134	830	-	830	12,964	21,361
Utilities	11,661	62	-	62	11,723	10,016
Volunteer Recognition	-	250	-	250	250	250
Total	<u>\$ 766,902</u>	<u>\$ 55,963</u>	<u>\$ 9,348</u>	<u>\$ 65,311</u>	<u>\$ 832,213</u>	<u>\$ 745,621</u>

See Independent Accountant's Audit Report.

The accompanying notes to financial statements are an integral part of this financial statement.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	\$ (6,102)	\$ 101,721
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	18,664	19,434
(Increase) / Decrease in Grants and Contracts Receivable	41,252	(92,880)
(Increase) / Decrease in Promises to Give	332,617	(23,085)
(Increase) / Decrease in Prepaid Expenses	(6,237)	329
(Increase) / Decrease in Deposits	939	(380)
Increase / (Decrease) in Accounts Payable and Accrued Expenses	21,429	(512)
Increase / (Decrease) in Accrued Expenses	(6,864)	8,623
Net Cash Provided by Operating Activities	395,698	13,250
 <u>Cash Flows from Investing Activities:</u>		
Purchase of equipment, furniture and building improvements	-	(15,908)
Net Cash Used by Investing Activities	-	(15,908)
 <u>Cash Flows from Financing Activities:</u>		
Proceeds from Paycheck Protection Program Loan	94,300	-
Net Cash Provided by Financing Activities	94,300	-
Net Increase / (Decrease) in Cash and Cash Equivalents	489,998	(2,658)
Cash and Cash Equivalents - Beginning of Years	470,833	467,273
Prior Period Adjustment	(359,909)	6,218
Cash and Cash Equivalents - End of Years	\$ 600,922	\$ 470,833

See Independent Accountant's Audit Report.

The accompanying notes to financial statements are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 1 THE ORGANIZATION:

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."

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of CRIL, Inc. are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

See Independent Accountant's Audit Report.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Property and Equipment

The organization 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, the Organization reports expirations of donor restrictions when the donated or acquired assets placed in service. The Organization reclassified net assets with donor restrictions to net assets without donor restrictions at that time.

See Independent Accountant's Audit Report.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Contributed Services

No amounts have been reflected in the financial statements for donated services. The organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

Contributions

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.

Income Tax Status

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates

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

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.

Contingencies

CRIL, Inc. 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.

See Independent Accountant's Audit Report.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Economic Dependency

A material portion of CRIL, Inc.'s revenue is dependent upon governmental agencies. A material withdrawal of program support could adversely affect the Agency's ability to continue services at historic levels.

Financial Statement Presentation

Net assets and revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of CRIL, Inc. and changes therein are classified and reported as:

Without Donor Restrictions - Those resources are not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With Donor Restrictions – Those resources are subject to donor-imposed restrictions that will be satisfied by action of CRIL, Inc. or by the passage of time.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated included compensation and benefits, which are allocated on the basis of estimates of time and effort.

Fair Value Measurement

CRIL, Inc. 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.

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, Inc.'s financial statements for the year ended June 30, 2019, from which the summarized information was derived. The prior year comparable information has not been restated for the prior period adjustments.

See Independent Accountant's Audit Report.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 3 GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable at June 30, 2020 and 2019 are:

	2020	2019
Admin on Community Living	\$ 1,688	\$ 9,401
California Foundation for Independent Living Centers	8,960	12,138
Center for Independent Living	15,390	13,039
City of Hayward -Specialized Para-transit Service	13,901	9,674
City of Hayward-Vanshare	324	53,892
Department of Rehabilitation	60,502	114,359
State Council for Independent Living	16,502	-
Housing and Human Social Service Grants:		
City of Dublin	74	4,077
City of Hayward	45,732	-
City of Livermore	9,325	3,038
City of Fremont	-	3,549
City of Union City	2,030	-
City of Pleasanton	1,062	1,043
	\$ 175,490	\$ 224,210

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of:

	Beg. Balance	Additions	Disposal	Totals
Land	\$ 54,271	\$ -	\$ -	\$ 54,271
Building and improvements	717,764	-	-	717,764
Equipment	94,553	-	(72,149)	22,404
Furniture	76,562	-	-	76,562
Totals	943,150	-	(72,149)	871,001
Accumulation depreciation	(600,457)	(18,663)	72,149	(546,971)
	\$ 342,693	\$ (18,663)	\$ -	\$ 324,030

Fixed assets less than \$5,000 are expensed.

See Independent Accountant's Audit Report.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 5 UNCONDITIONAL PROMISES TO GIVE

At June 30, 2019, CRIL, Inc. had unconditional promises to give of \$332,617. CRIL, Inc. subsequently reviewed the conditions of the grant offer and determined that the probability of collection was remote and consider these promises to be fully impaired. The restatement of the promise to give was the foundation of the prior period adjustment.

NOTE 6 DEPOSIT

This account represents a deposit with Workman's Compensation.

NOTE 7 PAYCHECK PROTECTION PROGRAM LOAN

To continue paying the employees' salary CRIL, Inc. applied for a federal Paycheck Protection Program (PPP) Loan on May 11, 2020. The full principal in the amount of \$94,300 of the loan and any accrued interest may qualify for loan forgiveness if the Organization maintains its staff compensation levels and at least 60% of eligible loan forgiveness expenses go towards payroll costs and not more than 40% of the loan forgiveness amount may be attributable to non-payroll costs. Any portion not forgiven will be subject to a fixed interest rate of 1.00% and due May 11, 2022 to Fremont Bank. No collateral or personal guarantees are required. Subsequent to the year end, the organization was approved for loan forgiveness.

NOTE 8 NON-GOVERNMENT GRANTS AND CONTRACTS

	<u>2020</u>	<u>2019</u>
Other Grants	\$ 2,517	\$ -
Kaiser Foundation	<u>-</u>	<u>50,000</u>
Totals	<u>\$ 2,517</u>	<u>\$ 50,000</u>

See Independent Accountant's Audit Report.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 9 **CONCENTRATION OF CREDIT RISK**

CRIL, Inc. maintains cash-in-demand deposit accounts with federally insured institutions. At times during the fiscal year, the balances in these accounts may exceed the federally insured limits. CRIL, Inc. has not experienced any losses on such accounts and believes they are not exposed to any significant credit risk on cash and cash equivalents. Cash deposits exceeded federally insured limits at June 30, 2020 and 2019.

NOTE 10 **LINE-OF-CREDIT**

CRIL, Inc. maintains an unsecured \$150,000 line-of-credit with its bank. Interest is payable at 7.75 percent. At June 30, 2020 there was no balance outstanding against this line-of-credit.

NOTE 11 **NET ASSETS WITH DONOR RESTRICTIONS:**

At June 30, 2020 and 2019 net assets with donor restrictions consisted of:

	2020	2019
Admin on Community Living	\$ -	\$ 54,803
Alameda County Transportation Commission	-	19,339
Bank of the West	-	286
California Foundation for Independent Living Centers	-	7,143
Catholic Charities-CCHD	-	2,394
Center for Independent Livingh	-	-
City of Dublin-roof replacement	-	5,000
City of Fremont-roof replacement	-	15,000
City of Hayward-roof replacement	-	20,000
Hinda Community and Cultural Center	-	1,854
Kaiser Foundation	50,000	50,000
Safeway Foundation	-	258
State of CA, Dept. of Rehabilitation	-	117,835
State of CA, Dept. of Rehabilitation VIIB	-	58,988
State of CA, Dept of Rehabilitation-Assistive Technology	-	53,848
Various Housing Application	-	1,400
Various Budget Coalition Advocacy	-	1,761
Totals	\$ <u>50,000</u>	\$ <u>409,909</u>

See Independent Accountant's Audit Report.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 12 LEASES

CRIL, Inc. primarily operates from its headquarter offices in Hayward which are owned by the Corporation. A branch office in Fremont (\$305/mo.) is on a one-year lease, and a branch office in Livermore (\$100/mo.) is on a one-year, in-kind lease that is renewed annually. Rent expense of Fremont for the years ended June 30, 2020 and 2019 amounted to \$3,931 and \$3,895; in-kind rent expense of Livermore for the years ended June 30, 2020 and 2019 amounted to \$1,211 and \$1,200.

NOTE 13 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The organization 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.

Level 3: Unobservable inputs that reflect management's assumptions and best estimates based on available data.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2020, are as follows:

See Independent Accountant's Audit Report.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 13 INVESTMENTS AND FAIR VALUE MEASUREMENTS-CONTINUED

<u>Description</u>	<u>Fair Value</u>	<u>(Level 1)</u>
Short-term investments:		
Certificate of deposit	\$ 39,127	\$ 39,127
Total short-term investments	\$ <u>39,127</u>	\$ <u>39,127</u>
Long-term investments:		
Mutual funds	\$ 22,157	\$ 22,157
Total long-term investments	\$ <u>22,157</u>	\$ <u>22,157</u>

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2019, are as follows:

<u>Description</u>	<u>Fair Value</u>	<u>(Level 1)</u>
Short-term investments:		
Certificate of deposit	\$ 37,132	\$ 37,132
Total short-term investments	\$ <u>37,132</u>	\$ <u>37,132</u>
Long-term investments:		
Mutual funds	\$ 22,341	\$ 22,341
Total long-term investments	\$ <u>22,341</u>	\$ <u>22,341</u>

NOTE 14 CONTINGENCIES

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. As a result, CRIL, Inc. stopped various programs and events. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. The extent of the impact of COVID-19 on the CRIL, Inc.’s operational performance will depend on certain developments, including the duration and spread of the outbreak.

See Independent Accountant’s Audit Report.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED AT JUNE 30, 2020 AND 2019

NOTE 14 CONTINGENCIES-CONTINUED

Therefore, CRIL, Inc. expects this matter to negatively affect its operation. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 15 EVALUATION OF SUBSEQUENT EVENTS

The management of CRIL, Inc. has reviewed the results of operations for the period of time from its year-end June 30, 2020 through January 20, 2022, the date the financial statements were issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require additional disclosure.

**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***



When you need Assurance

January 20, 2022

To Board of Directors
Community Resources for Independent Living, Inc.
Hayward, 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 Community Resources for Independent Living (CRIL), Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CRIL, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CRIL, Inc.'s internal control. Accordingly, we do not express an opinion of the effectiveness of CRIL, Inc.'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 CRIL'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 the government.

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.

As a result of information that was not available to evaluate the internal controls that were in operation in the year ended June 30, 2020, we were not able to perform adequate audit procedures that would allow us to identify deficiencies in the internal control over financial reporting. We do not express an opinion as to the internal control over financial reporting.

devant

Certified Public Accountants
3007 Douglas Blvd Suite 155 Roseville, CA 95815 916.822.5128
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether CRIL, Inc.'s financial statements are free of material misstatements, 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 on 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.

Devant CPAs

Devant
Certified Public Accountants

January 20, 2022