

INFO LINE of San Diego County DBA 2-1-1 San Diego and Subsidiary

Consolidated Financial Statements and Supplemental
Information

Years Ended June 30, 2021 and 2020



INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY
Consolidated Financial Statements and Supplemental Information
Years Ended June 30, 2021 and 2020

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Aldrich CPAs + Advisors LLP
7676 Hazard Drive, #1300
San Diego, California 92108

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary (nonprofit organizations) which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 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 consolidated 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 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of INFO LINE of San Diego dba 2-1-1 San Diego and Subsidiary as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 December 10, 2021 on our consideration of INFO LINE of San Diego dba 2-1-1 San Diego's and Subsidiary's internal control over consolidated 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 consolidated financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over consolidated financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering INFO LINE of San Diego dba 2-1-1 San Diego's and Subsidiary's internal control over consolidated financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
December 10, 2021

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY**Consolidated Statements of Financial Position**

June 30, 2021 and 2020

| | 2021 | 2020 |
|---|--------------|--------------|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$ 5,473,253 | \$ 5,178,661 |
| Accounts receivable | 2,222,084 | 1,620,116 |
| CalFresh program receivable | 135,292 | 222,359 |
| Promises to give | 51,836 | 16,076 |
| Prepays and other assets | 64,423 | 235,130 |
| Total Current Assets | 7,946,888 | 7,272,342 |
| Non-current Assets: | | |
| Property and equipment, net of accumulated depreciation | 1,101,144 | 1,112,686 |
| Deposits and other assets | 61,446 | 59,528 |
| Total Assets | \$ 9,109,478 | \$ 8,444,556 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable | \$ 424,363 | \$ 635,652 |
| CalFresh program payable | 137,260 | 287,434 |
| Accrued expenses | 1,326,089 | 1,184,703 |
| Deferred revenue | 116,084 | 158,061 |
| Current portion of note payable | - | 62,163 |
| Current portion of deferred rent | 11,572 | 12,624 |
| Total Current Liabilities | 2,015,368 | 2,340,637 |
| Long-term Liabilities: | | |
| Note payable, net of current portion | - | 322,096 |
| Deferred rent, net of current portion | 50,498 | 62,070 |
| Total Liabilities | 2,065,866 | 2,724,803 |
| Net Assets: | | |
| Without Donor Restrictions | 6,796,596 | 5,082,043 |
| With Donor Restrictions | 247,016 | 637,710 |
| Total Net Assets | 7,043,612 | 5,719,753 |
| Total Liabilities and Net Assets | \$ 9,109,478 | \$ 8,444,556 |

See accompanying notes to consolidated financial statements.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY**Consolidated Statement of Activities**

Year Ended June 30, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------|
| Support and Revenue: | | | |
| Grants and contracts | \$ 20,845,575 | \$ - | \$ 20,845,575 |
| Contributions | 322,459 | 232,697 | 555,156 |
| Special event, net of expenses of \$17,587 | 439,596 | - | 439,596 |
| Fee for service | 99,136 | - | 99,136 |
| Rental income | 54,000 | - | 54,000 |
| Miscellaneous | 44,797 | - | 44,797 |
| Net assets released from restrictions, satisfaction of program restrictions | 623,391 | (623,391) | - |
| Total Support and Revenue | 22,428,954 | (390,694) | 22,038,260 |
| Program and Supporting Expenses: | | | |
| Program services: | | | |
| 211 Call Center | 5,793,491 | - | 5,793,491 |
| County Access | 4,675,132 | - | 4,675,132 |
| Enrollment | 2,349,112 | - | 2,349,112 |
| Navigation | 1,179,236 | - | 1,179,236 |
| CIE | 837,301 | - | 837,301 |
| Other | 540,045 | - | 540,045 |
| Client Experience | 480,607 | - | 480,607 |
| VETS | 421,633 | - | 421,633 |
| Disaster | 32,980 | - | 32,980 |
| Total Program Expenses | 16,309,537 | - | 16,309,537 |
| Supporting services: | | | |
| General and administrative | 2,806,348 | - | 2,806,348 |
| Fundraising | 1,598,516 | - | 1,598,516 |
| Total Program and Supporting Expenses | 20,714,401 | - | 20,714,401 |
| Change in Net Assets | 1,714,553 | (390,694) | 1,323,859 |
| Net Assets, beginning | 5,082,043 | 637,710 | 5,719,753 |
| Net Assets, ending | \$ 6,796,596 | \$ 247,016 | \$ 7,043,612 |

See accompanying notes to consolidated financial statements.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY
Consolidated Statement of Activities
Year Ended June 30, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------|
| Support and Revenue: | | | |
| Grants and contracts | \$ 15,787,396 | \$ - | \$ 15,787,396 |
| Contributions | 270,638 | 382,600 | 653,238 |
| Rental income | 107,350 | - | 107,350 |
| Special event, net of expenses of \$100,590 | 67,038 | - | 67,038 |
| Fee for service | 62,928 | - | 62,928 |
| Miscellaneous | 10,529 | - | 10,529 |
| Net assets released from restrictions, satisfaction of program restrictions | 537,993 | (537,993) | - |
| Total Support and Revenue | 16,843,872 | (155,393) | 16,688,479 |
| Program and Supporting Expenses: | | | |
| Program services: | | | |
| 211 Call Center | 3,593,940 | - | 3,593,940 |
| County Access | 2,327,543 | - | 2,327,543 |
| Enrollment | 2,325,004 | - | 2,325,004 |
| CIE | 1,043,641 | - | 1,043,641 |
| Navigation | 915,757 | - | 915,757 |
| Disaster | 660,009 | - | 660,009 |
| VETS | 398,503 | - | 398,503 |
| Other | 324,665 | - | 324,665 |
| Total Program Expenses | 11,589,062 | - | 11,589,062 |
| Supporting services: | | | |
| General and administrative | 2,874,092 | - | 2,874,092 |
| Fundraising | 1,210,974 | - | 1,210,974 |
| Total Program and Supporting Expenses | 15,674,128 | - | 15,674,128 |
| Change in Net Assets | 1,169,744 | (155,393) | 1,014,351 |
| Net Assets, beginning | 3,912,299 | 793,103 | 4,705,402 |
| Net Assets, ending | \$ 5,082,043 | \$ 637,710 | \$ 5,719,753 |

See accompanying notes to consolidated financial statements.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

| | Program Services | | | | | | | | | | Supporting Services | | |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|------------------|----------------------|----------------------------|---------------------|----------------------|
| | 211 Call Center | County Access | Enrollment | Navigation | CIE | Other | Client Experience | VETS | Disaster | Total | General and Administrative | Fundraising | Total |
| Salaries and benefits | \$ 3,786,615 | \$ 3,336,561 | \$ 1,280,928 | \$ 831,613 | \$ 530,906 | \$ 438,739 | \$ 396,829 | \$ 333,333 | \$ 7,218 | \$ 10,942,742 | \$ 2,532,316 | \$ 1,212,458 | \$ 14,687,516 |
| Consultants | 439,120 | 360,600 | 111,280 | 49,601 | 155,843 | 32,617 | 21,140 | 17,913 | 2,912 | 1,191,026 | 129,243 | 187,569 | 1,507,838 |
| Subcontractor payments | 77,247 | 96,050 | 675,748 | 63,887 | 66,000 | - | - | - | - | 978,932 | - | - | 978,932 |
| Occupancy | 231,647 | 239,709 | 76,143 | 46,796 | 18,356 | 17,474 | 22,145 | 19,079 | 3,083 | 674,432 | 18,912 | 25,569 | 718,913 |
| Temp labor | 519,293 | 85,773 | 717 | 9,574 | 173 | 174 | 221 | 180 | 14,370 | 630,475 | 68,709 | 229 | 699,413 |
| Telephone | 343,227 | 111,609 | 78,017 | 55,224 | 6,853 | 5,754 | 7,177 | 22,082 | 989 | 630,932 | 6,129 | 37,181 | 674,242 |
| Software licenses | 163,717 | 164,067 | 53,414 | 32,811 | 21,621 | 26,562 | 16,444 | 13,341 | 2,265 | 494,242 | 14,043 | 18,852 | 527,137 |
| Depreciation | 63,088 | 63,967 | 20,870 | 12,827 | 5,042 | 5,060 | 6,445 | 5,228 | 888 | 183,415 | 5,504 | 6,674 | 195,593 |
| Equipment and maintenance | 63,145 | 51,883 | 8,780 | 6,136 | 1,661 | 2,266 | 3,043 | 2,077 | 292 | 139,283 | 1,813 | 6,581 | 147,677 |
| Advertising | 24,000 | 91,977 | 1,002 | 515 | - | - | - | - | - | 117,494 | - | 13,840 | 131,334 |
| Dues, licenses and permits | 7,131 | 3,613 | 19,380 | 5,302 | 18,958 | 5,964 | 364 | 1,520 | 50 | 62,282 | 12,836 | 23,305 | 98,423 |
| Office supplies | 26,144 | 23,016 | 7,239 | 4,519 | 1,941 | 1,849 | 2,235 | 1,814 | 308 | 69,065 | 1,909 | 25,953 | 96,927 |
| Insurance | 25,467 | 25,821 | 8,424 | 5,178 | 2,035 | 2,042 | 2,601 | 2,111 | 358 | 74,037 | 2,222 | 2,695 | 78,954 |
| Travel | 3,395 | - | - | 50,724 | 6,508 | 42 | - | - | - | 60,669 | 265 | 450 | 61,384 |
| Employee and volunteer recognition | 9,518 | 9,651 | 3,149 | 2,375 | 761 | 764 | 972 | 789 | 134 | 28,113 | 830 | 10,530 | 39,473 |
| Postage | 6,576 | 5,787 | 2,712 | 1,558 | 412 | 413 | 527 | 427 | 73 | 18,485 | 450 | 3,656 | 22,591 |
| Food and catering | 91 | 398 | 385 | 28 | 7 | 49 | 179 | 8 | 1 | 1,146 | 4,553 | 8,395 | 14,094 |
| Printing and duplicating | - | 1,819 | - | - | - | - | - | - | - | 1,819 | 541 | 8,750 | 11,110 |
| Generator fuel and maintenance | - | - | - | - | - | - | - | - | - | - | 460 | 5,446 | 5,906 |
| Interest | 1,508 | 1,529 | 499 | 307 | 121 | 121 | 154 | 125 | 21 | 4,385 | 132 | 160 | 4,677 |
| Admin overhead expense | 1,284 | 1,302 | 425 | 261 | 103 | 103 | 131 | 106 | 18 | 3,733 | 112 | 136 | 3,981 |
| Bank fees | - | - | - | - | - | - | - | - | - | - | 3,303 | 87 | 3,390 |
| Staff development | 1,278 | - | - | - | - | 52 | - | 1,500 | - | 2,830 | 500 | - | 3,330 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - | 1,566 | - | 1,566 |
| Total Program and Supporting Expenses | 5,793,491 | 4,675,132 | 2,349,112 | 1,179,236 | 837,301 | 540,045 | 480,607 | 421,633 | 32,980 | 16,309,537 | 2,806,348 | 1,598,516 | 20,714,401 |
| Special Events | - | - | - | - | - | - | - | - | - | - | - | 17,587 | 17,587 |
| Total expenses | \$ 5,793,491 | \$ 4,675,132 | \$ 2,349,112 | \$ 1,179,236 | \$ 837,301 | \$ 540,045 | \$ 480,607 | \$ 421,633 | \$ 32,980 | \$ 16,309,537 | \$ 2,806,348 | \$ 1,616,103 | \$ 20,731,988 |

See accompanying notes to consolidated financial statements.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended June 30, 2020

| | Program Services | | | | | | | | | Supporting Services | | |
|---------------------------------------|------------------|---------------|--------------|--------------|------------|------------|------------|------------|---------------|----------------------------|--------------|---------------|
| | 211 Call Center | County Access | Enrollment | CIE | Navigation | Disaster | VETS | Other | Total | General and Administrative | Fundraising | Total |
| Salaries and benefits | \$ 2,674,529 | \$ 1,790,736 | \$ 1,324,236 | \$ 622,156 | \$ 720,380 | \$ 72,422 | \$ 330,452 | \$ 267,748 | \$ 7,802,659 | \$ 1,928,851 | \$ 940,611 | \$ 10,672,121 |
| Consultants | 211,321 | 68,220 | 30,266 | 162,066 | 19,060 | 143,150 | 549 | 43,356 | 677,988 | 397,133 | 208,807 | 1,283,928 |
| Subcontractor payments | 76,846 | - | 662,668 | 77,800 | 39,671 | - | - | - | 856,985 | - | - | 856,985 |
| Occupancy | 242,565 | 208,066 | 119,770 | 31,210 | 62,275 | 10,477 | 27,806 | 4,272 | 706,441 | 9,414 | 12,700 | 728,555 |
| Equipment and maintenance | 63,499 | 154,177 | 32,826 | 39,154 | 13,814 | 90,728 | 6,168 | 948 | 401,314 | 2,088 | 2,995 | 406,397 |
| Telephone | 159,004 | 34,629 | 59,581 | 8,508 | 29,604 | 36,369 | 15,398 | 340 | 343,433 | 44,326 | 1,454 | 389,213 |
| Software licenses | 426 | 2,003 | 16,330 | 50,470 | 3,099 | 10,140 | 5,250 | - | 87,718 | 267,385 | 1,045 | 356,148 |
| Temp labor | 2,878 | 1,994 | 12,496 | - | - | 260,366 | - | - | 277,734 | 50,399 | - | 328,133 |
| Depreciation | 56,886 | 48,721 | 28,137 | 7,332 | 14,630 | 20,651 | 6,532 | 1,004 | 183,893 | 2,211 | 2,960 | 189,064 |
| Office supplies | 23,004 | 18,089 | 15,941 | 3,755 | 5,446 | 7,651 | 2,351 | 361 | 76,598 | 1,161 | 3,620 | 81,379 |
| Dues, licenses and permits | 7,700 | - | 1,075 | 21,793 | 1,975 | 60 | 2,567 | 3,453 | 38,623 | 24,715 | 4,707 | 68,045 |
| Insurance | - | - | - | - | - | - | - | - | - | 67,278 | - | 67,278 |
| Advertising | 62,621 | - | 265 | - | - | - | - | - | 62,886 | - | 1,096 | 63,982 |
| Travel | 4,395 | 154 | 7,188 | 16,331 | 4,407 | 203 | 307 | 1,144 | 34,129 | 4,067 | 5,321 | 43,517 |
| Employee and volunteer recognition | 1,202 | 229 | 268 | 67 | 374 | 10 | 57 | 121 | 2,328 | 30,606 | 2,489 | 35,423 |
| Printing and duplicating | 323 | - | 2,554 | 12 | 213 | 775 | 53 | 1,571 | 5,501 | 1,081 | 13,794 | 20,376 |
| Food and catering | 2,032 | 385 | 251 | 2,987 | 757 | 270 | 1,013 | 347 | 8,042 | 4,542 | 6,559 | 19,143 |
| Postage | 1,334 | 140 | 9,652 | - | 52 | 91 | - | - | 11,269 | 6,557 | 213 | 18,039 |
| Interest | - | - | - | - | - | - | - | - | - | 12,869 | - | 12,869 |
| Staff development | 3,375 | - | 1,500 | - | - | - | - | - | 4,875 | 6,694 | 500 | 12,069 |
| Bank fees | - | - | - | - | - | - | - | - | - | 9,215 | 2,103 | 11,318 |
| Generator fuel and maintenance | - | - | - | - | - | 6,646 | - | - | 6,646 | - | - | 6,646 |
| Admin overhead expense | - | - | - | - | - | - | - | - | - | 2,750 | - | 2,750 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | 750 | - | 750 |
| Total Program and Supporting Expenses | 3,593,940 | 2,327,543 | 2,325,004 | 1,043,641 | 915,757 | 660,009 | 398,503 | 324,665 | 11,589,062 | 2,874,092 | 1,210,974 | 15,674,128 |
| Special Events | - | - | - | - | - | - | - | - | - | - | 100,590 | 100,590 |
| Total expenses | \$ 3,593,940 | \$ 2,327,543 | \$ 2,325,004 | \$ 1,043,641 | \$ 915,757 | \$ 660,009 | \$ 398,503 | \$ 324,665 | \$ 11,589,062 | \$ 2,874,092 | \$ 1,311,564 | \$ 15,774,718 |

See accompanying notes to consolidated financial statements.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY**Consolidated Statements of Cash Flows**

Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Cash Flows from Operating Activities: | | |
| Change in net assets | \$ 1,323,859 | 1,014,351 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 195,593 | 189,064 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (601,968) | (51,831) |
| CalFresh program receivable | 87,067 | (114,250) |
| Promises to give | (35,760) | 80,698 |
| Prepaid expenses and other assets | 170,707 | (71,890) |
| Deposits and other assets | (1,918) | - |
| Accounts payable | (211,289) | 509,272 |
| CalFresh program payable | (150,174) | 179,325 |
| Accrued expenses | 141,386 | 477,930 |
| Deferred revenue | (41,977) | 55,776 |
| Deferred rent | (12,624) | (12,624) |
| | <u>862,902</u> | <u>2,255,821</u> |
| Net Cash Provided by Operating Activities | 862,902 | 2,255,821 |
| Cash Flows Used by Investing Activities: | | |
| Purchases of property and equipment | (184,051) | (65,492) |
| Cash Flows Used by Financing Activities: | | |
| Payments on note payable | <u>(384,259)</u> | <u>(60,328)</u> |
| Net Increase in Cash | 294,592 | 2,130,001 |
| Cash, beginning | <u>5,178,661</u> | <u>3,048,660</u> |
| Cash, ending | <u>\$ 5,473,253</u> | <u>\$ 5,178,661</u> |
| Supplemental Disclosure of Cash Flow Information: | | |
| Cash paid for interest | <u>\$ 4,677</u> | <u>\$ 12,869</u> |

See accompanying notes to consolidated financial statements.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

Serving the entire population of its region, INFO LINE of San Diego County dba 2-1-1 San Diego (2-1-1 San Diego) is a California nonprofit organization formed in 2003 that connects people with community, health and disaster services through a free, 24/7 stigma-free phone service and searchable online database. 2-1-1 San Diego's mission is to help people by connecting them efficiently to the service delivery system, and by providing vital trend information for community planning. 2-1-1 San Diego's support and revenue comes primarily from contracts and grants.

Community Information Exchange (CIE) facilitates care coordination among social service and care providers in the greater San Diego region by using technology and processes to bring together information and people across safety net organizations.

Principles of Consolidation

The consolidated financial statements include, 2-1-1 San Diego and its wholly owned subsidiary, CIE (collectively referred to as the "Organization"). 2-1-1 San Diego's acquisition of CIE occurred on February 11, 2016. The integration allows for a client record that includes the client's history so providers can be better informed when interacting with that client, allowing for improved service delivery, care coordination, and ultimately positive social outcomes for the client and the service delivery community. Significant inter-company transactions and balances have been eliminated in consolidation.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This standard update, along with related subsequently issued updates, clarifies the principles for recognizing revenue and develops a common revenue standard under accounting principles generally accepted in the United States of America (US GAAP). The Organization adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), effective July 1, 2020. The new guidance was applied retrospectively to all contracts that were not completed as of the adoption date. Revenue earned from contract with customers was \$99,136 during the year ended June 30, 2021.

Financial Statement Presentation

The consolidated financial statements of the Organization have been prepared in accordance with US GAAP, which require the Organization to report information regarding their financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were perpetual in nature for the years ended June 30, 2021 and 2020.

Use of Estimates

The preparation of consolidated 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.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Accounts and CalFresh Receivable

The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary at June 30, 2021 and 2020 because management believes all amounts are collectible.

Promises to Give

Unconditional written pledges to the Organization are recorded as promises to give and revenue in the year promised at the present value of expected cash flows. Conditional pledges, including intentions to pledge, are recognized as revenue when the conditions are met. After pledges are originally recorded, an allowance for uncollectible pledges may be established based on specific circumstances. No allowance was considered necessary at June 30, 2021 and 2020 because management believes all amounts are collectible. All amounts are due within one year as of June 30, 2021 and 2020, therefore there is no present value discount.

Property and Equipment

Acquisitions of property and equipment of \$5,000 or more are capitalized. Property and equipment are recorded at cost, or if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of three to ten years.

Support and Revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Grants and other revenues which are considered contracts for services and exchange transactions, are not recorded as restricted contributions. Prepaid grants are recorded as deferred revenue.

Contributed Materials and Services

Contributed goods are recorded at their estimated fair market value at the time of donation. Such items are capitalized or charged to operations as appropriate. The fair market value of contributed professional services is reported as support and expense in the period in which the services are performed.

The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the consolidated financial statements because the criteria for recognition as contributions of such volunteer effort have not been satisfied.

Advertising

The Organization follows the policy of charging the cost of advertising as incurred.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Functional Allocation of Expenses

The consolidated 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. Salaries and related expenses (benefits, payroll taxes, etc.) are allocated on the basis of time. All other expenses are broken out by accounts and are charged to the program or service based on direct usage or using fulltime equivalent as an allocation method.

Income Taxes

2-1-1 San Diego and CIE are 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. 2-1-1 San Diego has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. CIE is a private foundation. The Organization may be subject to tax on income which is not related to its exempt purpose. For the years ended June 30, 2021 and 2020, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The Organization follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the consolidated financial statements related to uncertain tax positions for the years ended June 30, 2021 and 2020.

Future Accounting Standards

The FASB issued a substantial ASU which will become effective in a future year.

In February 2016, the FASB issued ASU No. 2016-02 Leases. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the consolidated statement of financial position a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the consolidated financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The Organization is evaluating the effect that the provisions of ASU 2016-02 will have on its consolidated financial statements and related disclosures.

Subsequent Events

The Organization has evaluated subsequent events through December 10, 2021, which is the date the consolidated financial statements were available to be issued.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 – Liquidity and Availability

The following reflects the Organization's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of contractual obligations within one year of the consolidated statement of financial position date.

| | 2021 | 2020 |
|---|--------------|--------------|
| Cash | \$ 5,473,253 | \$ 5,178,661 |
| Accounts receivable | 2,222,084 | 1,620,116 |
| CalFresh program receivable | 135,292 | 222,359 |
| Promises to give | 51,836 | 16,076 |
| Total Financial Assets | 7,882,465 | 7,037,212 |
| Less amounts not available to be used within one year for general purposes: | | |
| Purpose Restricted Funds | (111,724) | (415,351) |
| CalFresh program receivable | (135,292) | (222,359) |
| | (247,016) | (637,710) |
| Financial Assets available to meet general expenditures over the next twelve months | \$ 7,635,449 | \$ 6,399,502 |

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization manages its liquidity and reserves through maintaining and reviewing budget to actual amounts and forecasted cash flows on a regular basis. The Organization also operates within a prudent range of financial soundness and stability and constantly maintains adequate liquid assets to fund near term operating needs.

Note 3 – Concentrations of Credit Risk

Cash

The Organization maintains cash accounts at various financial institutions. The balances at time may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each financial institution are insured by the FDIC up to \$250,000.

Customers

During the year ended June 30, 2021 the Organization received funding from grants of \$11,785,541 (59%) from one source and during the year ended June 30, 2020 the Organization received funding from grants of \$10,105,949 (67%) from two sources. At June 30, 2021 and 2020, amounts due from funding sources included in accounts receivable, promises to give, and CalFresh program receivable were \$1,232,168 (51%) from three sources and \$956,484 (52%) from three sources, respectively.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY**Notes to Consolidated Financial Statements**

Years Ended June 30, 2021 and 2020

Note 4 – Property and Equipment

Property and equipment consist of the following at June 30:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|---------------------|---------------------|
| Leasehold improvements | \$ 1,546,705 | \$ 1,362,655 |
| Generator | 379,007 | 379,007 |
| Furniture and equipment | 277,436 | 277,436 |
| Computers | 277,259 | 277,259 |
| Website upgrade | 137,785 | 137,785 |
| Telecommunications system | <u>54,295</u> | <u>54,295</u> |
| | 2,672,487 | 2,488,437 |
| Less accumulated depreciation | <u>(1,571,343)</u> | <u>(1,375,751)</u> |
| | <u>\$ 1,101,144</u> | <u>\$ 1,112,686</u> |

Note 5 – Note Payable

Note payable consists of the following at June 30:

| | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------------|
| Note payable for tenant improvements, due to Lessor, due in monthly payments of \$6,080, including interest at 3%, fully paid off in October 2020. | \$ - | \$ 384,259 |
| Less: current portion | <u>-</u> | <u>(62,163)</u> |
| | <u>\$ -</u> | <u>\$ 322,096</u> |

Note 6 – Restrictions on Net Assets

Net assets with donor restrictions consist of the following at June 30:

| | <u>2021</u> | <u>2020</u> |
|----------------------------|-------------------|-------------------|
| Purpose Restrictions: | | |
| CIE | \$ 105,145 | \$ 345,140 |
| Outreach and education | 90,080 | 10,365 |
| Healthy lifestyle programs | 40,510 | 120,000 |
| Professional development | 8,781 | 8,783 |
| Veterans-Military | 2,500 | 2,500 |
| COVID-19 response | - | 110,000 |
| Technology | <u>-</u> | <u>40,922</u> |
| | <u>\$ 247,016</u> | <u>\$ 637,710</u> |

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY**Notes to Consolidated Financial Statements**Years Ended June 30, 2021 and 2020

Note 6 – Restrictions on Net Assets, continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

| | 2021 | 2020 |
|---------------------------------------|-------------------|-------------------|
| Satisfaction of Purpose Restrictions: | | |
| CIE | \$ 350,141 | \$ 383,751 |
| Healthy lifestyle programs | 120,000 | 85,000 |
| COVID-19 Response | 110,000 | - |
| Technology | 40,922 | - |
| Outreach and education | 2,328 | 175 |
| Veterans-Military | - | 69,067 |
| | <u>\$ 623,391</u> | <u>\$ 537,993</u> |

Note 7 – Commitments

The Organization leases facilities in San Diego for office space. The lease term is from March 1, 2016 to May 31, 2026. The lease required a security deposit of \$52,428 and a monthly lease payment in the first month of \$43,133 followed by two months of rent abatement, and a third month of rent abatement occurring on the thirteenth month of the lease. Future payments return to the first month's amount and increase biannually by 5%. The three months of rent abatement are being amortized over the life of the lease on a straight-line basis.

Rent expense for the years ended June 30, 2021 and 2020 was \$558,024 and \$539,912, respectively.

Minimum future lease payments at June 30, 2021 are due as follows:

| | |
|--------------------------------|---------------------|
| Year Ending <u>June 30,</u> | |
| 2022 | \$ 567,535 |
| 2023 | 586,559 |
| 2024 | 596,548 |
| 2025 | 616,524 |
| 2026 | <u>565,146</u> |
| | <u>\$ 2,932,312</u> |

Note 8 – Related Party Transactions

2-1-1 San Diego utilizes a law firm for legal guidance and matters pertaining to human resources and personnel. A board member of 2-1-1 San Diego joined that law firm as a partner during the year ended June 30, 2021. During that same year, 2-1-1 San Diego paid the firm fees of \$44,589.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 9 – Contingencies

Litigation

The Organization may periodically be a party in litigation cases incidental to its business activities. While any litigation or investigation has an element of uncertainty, management believes that the outcome of any of these matters will not have a materially adverse effect on its financial position, results of operations or liquidity.

Coronavirus

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter-in-place orders, including California, where the Organization is located.

At June 30, 2021 the Pandemic continues and management continues to initiate changes and modification to the operations of the programs, events and administrative functions in order to protect the health of staff and patients and to mitigate the financial effects of the virus and its resultant economic slowdown. The Organization will continue to evaluate, and if appropriate, adopt other measures in the future as required for the ongoing safety of clients and staff.

SUPPLEMENTAL INFORMATION

**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***

To the Board of Directors of
INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary

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 consolidated financial statements of INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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*.

**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*, CONTINUED**

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.

Aldrich CPAs + Advisors LLP

San Diego, California
December 10, 2021



Aldrich CPAs + Advisors LLP
7676 Hazard Center Drive, #1300
San Diego, California 92108

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

To the Board of Directors of
INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary

Report on Compliance for Each Major Federal Programs

We have audited INFO LINE of San Diego County dba 2-1-1 San Diego's and Subsidiary's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of INFO LINE of San Diego County dba 2-1-1 San Diego's and Subsidiary's major federal programs for the year ended June 30, 2021. INFO LINE of San Diego County dba 2-1-1 San Diego's and Subsidiary's major federal program is identified in the summary of auditor's 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 INFO LINE of San Diego County dba 2-1-1 San Diego's and Subsidiary's major federal program 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 INFO LINE of San Diego County dba 2-1-1 San Diego's and Subsidiary'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 INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary's compliance.

Opinion on Each Major Federal Program

In our opinion, INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary 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.

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

Report on Internal Control over Compliance

Management of INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary 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 INFO LINE of San Diego County dba 2-1-1 San Diego's and Subsidiary's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 INFO LINE of San Diego County dba 2-1-1 San Diego's and Subsidiary'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 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.

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 Grant Guidance. Accordingly, this report is not suitable for any other purpose

Aldrich CPAs + Advisors LLP

San Diego, California
December 10, 2021

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

| Federal/Pass-Through Grantor and Program Title | Federal Assistance Living Number | Agency or Pass-Through Grantor No. | Passed through to Sub recipients | Total Federal Expenditures |
|--|----------------------------------|------------------------------------|----------------------------------|----------------------------|
| <u>U.S. Department of Agriculture</u> | | | | |
| Direct Award | | | | |
| FNS SNAP Technology | 10.580 | | \$ - | \$ 137,439 |
| Pass Through Awards: | | | | |
| California Department of Social Services CalFresh Outreach Contract | 10.561 | 18-7012 | 459,951 | 1,739,810 |
| California Department of Social Services CalFresh SSI Expansion | 10.561 | 18-7012 A-1 | 251,798 | 357,912 |
| City and County of San Francisco San Francisco CalFresh Outreach | 10.561 | | - | 280,280 |
| | | | 711,749 | 2,515,441 |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| Pass Through Awards: | | | | |
| County Department of Housing and Community Development County of San Diego Housing Opportunities for Persons With AIDS (HOPWA) | 14.241 | 558957 | - | 94,885 |
| County Department of Housing and Community Development HCDS Section 8 Waitlist | 14.871 | 560458 | - | 218,000 |
| City of San Marcos Community Services Information Referral for Low Income San Marcos Residents | 14.218 | 5466 | - | 54,764 |
| City of Poway | 14.218 | | - | 16,688 |
| | | | - | 384,337 |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Pass Through Awards: | | | | |
| University of California San Francisco AHRQ Research Project | 93.226 | 1R18HS027394-01 | - | 322,049 |
| County of San Diego Health & Human Services Agency Perinatal Care Network | 93.778 | 560458 | - | 265,000 |
| United Way of San Diego County UWSD Office of Minority Health | 93.137 | 1 CPIMP201207-01-00 | - | 25,000 |
| | | | - | 612,049 |
| <u>Coronavirus Relief Fund</u> | | | | |
| Pass Through Awards: | | | | |
| San Diego Housing Commission SDHC HSAP | 21.019 | RAD-21-30 | - | 182,586 |
| <u>Emergency Rental Assistance</u> | | | | |
| Pass Through Awards: | | | | |
| San Diego Housing Commission SDHC COVID-19 | 21.023 | RAD-21-11 | - | 123,587 |

See independent auditors' report and notes to schedule of expenditures of federal awards.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

| <u>Federal/Pass-Through Grantor and Program Title</u> | <u>Federal Assistance Living Number</u> | <u>Agency or Pass-Through Grantor No.</u> | <u>Passed through to Sub recipients</u> | <u>Total Federal Expenditures</u> |
|--|---|---|---|---------------------------------------|
| <u>Foster Care Title IV-E</u> | | | | |
| Pass Through Awards: | | | | |
| Interface Children & Family Services | | | | |
| 2-1-1 Ventura CDSS COVID-19 Funding | 93.658 | 19-3100 | - | 14,232 |
| <u>Centers for Disease Control</u> | | | | |
| Pass Through Awards: | | | | |
| County of San Diego Health & Human Services Agency | | | | |
| CDC Racial & Ethnic Approaches to | | | | |
| Community Health (REACH) | 93.738 | 560458 | - | 45,064 |
| County of San Diego Health & Human Services Agency | | | | |
| CDC Heart Disease & Stroke Prevention | 93.435 | 560458 | - | 48,659 |
| | | | - | 93,723 |
| <u>Coronavirus Aid, Relief and Economic Security Act (CARES Act)</u> | | | | |
| Pass Through Awards: | | | | |
| County Department of Housing and Community Development | | | | |
| HCDS County ERAP | 21.023 | 560458 | - | 337,671 |
| | | | \$ 711,749 | \$ 4,263,626 |

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary 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* 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 the Organization, it is not intended to and does not present the consolidated financial position, changes in net assets or cash flows of the Organization.

Note 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.

Note 3 – Indirect Cost Rate

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiary did not elect to use the 10% de minimus cost rate as covered in the Uniform Guidance 2.CFR.200.414 Indirect costs.

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I – Summary of Auditors’ Results

Consolidated Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

 Significant deficiency(ies) identified? ☐yes ☒none identified

 Material weakness(es) identified? ☐yes ☒no

Noncompliance material to the financial statements noted? ☐yes ☒no

Federal Awards

Internal control over major programs:

 Significant deficiency(ies) identified? ☐yes ☒none identified

 Material weakness(es) identified? ☐yes ☒no

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2.CFR.200.516(a)? ☐yes ☒no

Identification of major programs:

| <u>Federal Assistance Living Number</u> | <u>Name of Federal Program or Cluster</u> |
|---|---|
| 10.561 | CalFresh Outreach Program |
| 21.023 | Emergency Rental Assistance Program |

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

Auditee qualified as a low-risk auditee with the Uniform Guidance, 2.CFR.200.516(a)? ☒yes ☐no

Section II – Financial Statement Findings

None

Section III – Federal Award Finding and Questioned Costs

None

INFO LINE OF SAN DIEGO COUNTY DBA 2-1-1 SAN DIEGO AND SUBSIDIARY
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2021

Section IV – Schedule of Prior Year Findings and Questioned Costs

None