

**Report of Independent Auditors
with Financial Statements and Supplementary Information**

**EMPOWER YOLO, INC.
(A Not-for-Profit Corporation)**

Years Ended June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors and Management of
Empower Yolo, Inc.
Woodland, California

We have audited the accompanying financial statements of Empower Yolo, Inc. (the Agency) (a not-for-profit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 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.

Opinion

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules as listed in the Table of Contents include 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*. Those schedules are presented for purposes of additional analysis and are 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION
Walnut Creek, California
March 20, 2022

EMPOWER YOLO, INC.
(A Not-for-Profit Organization)
Statements of Financial Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 282,288	\$ 14,838
Cash restricted for long lived assets	10,931	303,257
Grant and contracts receivable	619,039	994,290
Other receivables	8,494	3,702
Prepaid expenses	<u>20,253</u>	<u>5,494</u>
Total current assets	941,005	1,321,581
 FIXED ASSETS, NET	 <u>1,515,254</u>	 <u>1,234,263</u>
 TOTAL ASSETS	 <u>\$ 2,456,259</u>	 <u>\$ 2,555,844</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other accrued expenses	\$ 102,388	\$ 193,587
Accrued payroll and related	190,210	171,880
Refundable advances	27,086	34,962
Paycheck Protection Program loan payable	-	377,500
Long term debt - current portion	<u>14,201</u>	<u>13,802</u>
Total current liabilities	333,885	791,731
 LONG-TERM DEBT	 <u>327,335</u>	 <u>340,905</u>
Total liabilities	<u>661,220</u>	<u>1,132,636</u>
 Net assets:		
Without donor restrictions	1,612,380	972,327
With donor restrictions	<u>182,659</u>	<u>450,881</u>
Total net assets	<u>1,795,039</u>	<u>1,423,208</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,456,259</u>	 <u>\$ 2,555,844</u>

See independent auditors' report and notes to the financial statements

EMPOWER YOLO, INC.
(A Not-for-Profit Organization)

Statements of Activities

Years Ended June 30, 2021 and 2020

	2021		2020		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:					
Government grants and contracts	\$ 2,919,300	\$ 15,780	\$ 3,171,941	-	\$ 3,171,941
Foundations and corporations	96,514	343,252	254,833	261,000	515,833
Other contributions	706,127	1,500	302,208	206,630	508,838
Fees for services	79,256	-	97,710	-	97,710
Reimbursements and other	13,705	-	3,498	-	3,498
Donated goods and services	87,738	-	69,239	-	69,239
Interest	3	-	22	-	22
Net assets released from restriction	628,754	(628,754)	181,333	(181,333)	-
	4,531,397	(268,222)	4,080,784	286,297	4,367,081
Total operating revenues and support					
OPERATING EXPENSES BY FUNCTION:					
Program services:					
Resource centers	880,093	-	672,220	-	672,220
Victim services	2,003,526	-	2,142,739	-	2,142,739
Youth programs	319,240	-	331,468	-	331,468
Other	122,162	-	316,898	-	316,898
Total program services	3,325,021	-	3,463,325	-	3,463,325
Supporting services:					
Management and general	524,929	-	577,389	-	577,389
Development	41,394	-	37,014	-	37,014
Total supporting services	566,323	-	614,403	-	614,403
Total operating expenses	3,891,344	-	4,077,728	-	4,077,728
CHANGE IN NET ASSETS	640,053	(268,222)	3,056	286,297	289,353
NET ASSETS, BEGINNING OF YEAR	972,327	450,881	969,271	164,584	1,133,855
NET ASSETS, END OF YEAR	\$ 1,612,380	\$ 182,659	\$ 972,327	\$ 450,881	\$ 1,423,208

See independent auditors' report and notes to the financial statements

EMPOWER YOLO, INC.
(A Non-Profit Corporation)
Statements of Functional Expenses
Years Ended June 30, 2021 and 2020

	2021										2020									
	Program Services					Supporting Services					Program Services					Supporting Services				
	Resource Centers	Victim Services	Youth Programs	Other Program	Total Program Services	Management and General	Development	Total	Resource Centers	Victim Services	Youth Programs	Other Program	Total Program Services	Management and General	Development	Total				
Salaries and Wages	\$ 225,221	\$ 1,387,853	\$ 196,958	\$ 88,525	\$ 1,898,557	\$ 218,134	\$ 34,582	\$ 2,151,273	\$ 253,889	\$ 1,078,254	\$ 176,001	\$ 261,976	\$ 1,770,120	\$ 197,798	\$ 30,715	\$ 1,998,633				
Payroll taxes	15,602	96,140	13,644	6,132	131,518	15,111	2,396	149,024	21,474	91,199	14,886	22,158	149,717	16,730	2,598	169,045				
Employee benefits	22,413	138,112	19,600	8,810	188,935	21,708	3,441	214,084	28,156	119,576	19,518	29,053	196,303	21,935	3,406	221,644				
Subtotal personnel	263,236	1,622,105	230,202	103,467	2,219,010	254,953	40,419	2,514,381	303,519	1,289,029	210,405	313,187	2,116,140	236,463	36,719	2,389,322				
Promotion and advertising	-	-	-	-	-	717	249	966	-	926	-	-	926	-	-	926				
Travel and mileage	1,558	12,561	-	403	14,522	38	-	14,560	5,060	10,234	1,094	3,603	19,991	1,592	-	21,583				
Bank fees	-	-	-	-	-	1,040	-	1,040	-	-	-	-	-	1,345	-	1,345				
Depreciation and amortization	33,430	15,578	-	-	49,008	689	345	50,042	-	-	-	-	-	60,751	-	60,751				
Memberships and subscriptions	-	-	-	-	-	2,036	-	2,036	180	-	-	-	180	2,066	-	2,246				
Equipment	5,489	19,498	-	1,417	12,592	31,176	-	12,592	626	37	12	-	211	9,182	-	9,857				
Insurance	-	-	-	-	-	19,777	-	19,777	-	1,150	99	-	1,150	28,531	-	29,681				
Interest	-	-	-	-	-	12,596	-	12,596	1,573	345	35	-	1,953	12,357	-	14,310				
Janitorial	207	2,968	-	677	3,852	77	-	3,929	278,388	672,181	-	-	950,569	2,648	-	953,217				
Housing assistance	425,848	131,206	-	968	558,022	-	-	558,099	49,565	36,123	-	-	85,688	-	-	85,688				
Client treatment stays and other assistance	3,792	2,400	-	-	6,192	1,745	-	4,045	17,315	1,396	-	-	1,396	2,792	-	4,188				
Rent	2,300	-	-	390	58,766	7,708	-	66,474	-	-	5,917	108	41,013	13,081	-	54,094				
Rent	41,798	14,506	2,072	397	59,773	4,753	-	51,500	-	-	-	-	-	-	-	-				
Supplies	29,328	6,190	-	3,717	39,235	-	-	39,235	-	-	-	-	-	-	-	-				
Printing and reproduction	3,960	-	-	-	3,960	-	-	3,960	-	-	-	-	-	-	-	-				
Food	-	-	-	-	-	-	-	-	865	-	112,511	-	113,376	-	-	113,376				
Child care	-	-	-	-	-	-	-	-	3,465	-	-	-	3,465	-	-	3,465				
Partner agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
DACA scholarships	1,485	-	85,184	-	86,669	-	-	86,669	-	-	-	-	-	-	-	-				
Taxes and licenses	-	-	-	-	-	604	-	604	-	-	-	-	-	1,766	-	1,766				
Accounting and auditing	-	10,691	-	-	10,691	44,367	-	55,058	-	-	-	-	-	42,581	-	42,581				
Donated legal services	-	23,986	-	-	23,986	-	-	23,986	-	-	-	-	-	300	-	300				
Donated rent	-	13,036	-	-	13,036	-	-	13,036	-	13,036	-	-	13,036	-	-	13,036				
Other donated specialized services	920	6,625	-	-	7,545	-	-	7,545	2,619	13,893	-	-	16,512	-	-	16,512				
Therapists and other professional services	4,950	118,739	-	-	123,689	-	-	123,689	1,710	46,118	-	-	47,828	9,593	-	57,421				
Payroll service fees	-	-	-	-	-	9,981	-	9,981	-	-	-	-	-	-	-	-				
Fundraising events	-	-	-	-	-	381	-	381	-	-	-	-	-	-	295	295				
Repairs and maintenance	6,709	21,222	-	-	27,931	16,315	-	44,246	-	1,302	18	-	1,320	10,258	-	11,578				
Information technology and software	6,985	6,911	-	292	14,188	44,250	-	58,438	3,937	1,276	131	-	5,344	64,276	-	69,620				
Staff development and training	4,124	4,560	-	-	8,684	-	-	8,684	188	2,700	400	-	3,288	1,087	-	4,375				
Telephone and telecommunications	16,514	2,071	-	-	18,585	9,011	-	27,596	813	302	750	-	1,865	12,400	-	14,265				
Utilities	18,857	3,657	-	-	22,514	60,454	-	82,968	2,397	34,906	96	-	37,399	34,293	-	71,692				
Bad debt	-	-	-	-	-	143	-	143	-	-	-	-	-	1,675	-	1,675				
Other	8,603	4,012	1,782	10,434	24,831	\$ 524,930	\$ 41,394	\$ 3,891,344	\$ 672,220	\$ 2,142,739	\$ 331,468	\$ 316,898	\$ 3,463,325	\$ 577,389	\$ 37,014	\$ 4,077,728				

See independent auditors' report and notes to the financial statements

EMPOWER YOLO, INC.
(A Not-for-Profit Organization)
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	\$ 371,831	\$ 289,353
Contributions restricted for long-term assets	-	(202,130)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	50,042	60,751
Bad debt expense	2,500	1,675
Changes in operating accounts:		
(Increase) decrease in accounts receivable	367,959	(461,793)
(Increase) decrease in prepaid expenses and deposits	(14,759)	6,572
Increase (decrease) in accounts payable and accrued expenses	(72,869)	(129,370)
Increase (decrease) in deferred revenue	(385,376)	27,005
Net cash provided by (used in) operating activities	<u>319,328</u>	<u>(407,937)</u>
CASH FLOWS FROM INVESTING ACTIVITIES -		
Donations restricted for long lived assets	-	202,130
Purchases of capital assets	<u>(331,033)</u>	<u>(17,379)</u>
Net cash provided by investing activities	(331,033)	184,751
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan	-	377,500
Proceeds from mortgage refinancing	-	-
Proceeds from line of credit	-	96,464
Principal payments on line of credit	-	(146,020)
Principal payments on mortgage payable	(7,156)	(7,146)
Principal payments on capital lease	<u>(6,015)</u>	<u>(6,198)</u>
Net cash provided by (used in) financing activities	<u>(13,171)</u>	<u>314,600</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(24,876)	91,414
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>318,095</u>	<u>226,681</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 293,219</u>	<u>\$ 318,095</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for:		
Interest	<u>\$ 19,777</u>	<u>\$ 29,681</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents available for general operations	\$ 282,288	\$ 14,838
Cash and cash equivalents restricted for long lived assets	<u>10,931</u>	<u>303,257</u>
Total cash and cash equivalents	<u>\$ 293,219</u>	<u>\$ 318,095</u>

See independent auditors' report and notes to the financial statements

EMPOWER YOLO, INC.
(A Not-for-Profit Corporation)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1. ORGANIZATION AND PROGRAMS

Empower Yolo, Inc. (the Agency) is a nonprofit public benefit corporation, is organized under the laws of the State of California for the purpose of providing services to victims and families experiencing violence. The goal of Empower Yolo's client services is to limit and reduce victim trauma and promote recovery. The goal of the community education is to reduce and prevent family violence and sexual assault and to challenge and dispel myths that condone and perpetuate interpersonal violence in the community.

Program services include aid to victims of domestic violence, sexual assault, stalking, trafficking, and child abuse. Domestic violence assistance and sexual assault assistance includes crisis intervention, emergency response services, in-person counseling for major life change, abuser treatment, shelter, legal advocacy, and community education.

Empower Yolo's primary sources of revenue and support are from government contracts, contributions, and program fees.

The Agency seeks to fulfill its mission by focusing on the following program areas:

- **Resource Centers:** The agency provides resource centers for community services to improve the health, social, educational, and economic outcomes of Yolo County residents.
- **Victim Services:** The agency provides safe shelter and housing to victims. The confidential Wallace and Vannucci Shelter is Yolo County's only 24-hour emergency shelter for adults and children escaping domestic violence, sexual abuse or human trafficking. The 35-bed facility is staffed 24 hours a day, 365 days a year. The shelter offers safe refuge, a comprehensive empowerment program, therapeutic services, and case management to residents. Access to the shelter is available 24/7 through our crisis line.

In addition, Empower Yolo is the homeless rapid re-housing provider for Yolo County, and we provide prevention services under HUD's Emergency Solution Grant program. The program works in conjunction with the area's traditional homeless providers, emergency shelters, and transitional housing programs. Maintaining or moving homeless clients into permanent housing is the objective of the program; however, we continue to address the underlying causes of homelessness for long-term positive outcomes. Under the program, homeless clients can receive rental assistance, security and utility deposits, legal assistance, and credit repair services. Participants receive intensive case management and financial coaching services.

EMPOWER YOLO, INC.
(A Not-for-Profit Corporation)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Empower Yolo also provides crisis support for victims of domestic violence, sexual assault, and human trafficking through a 24/7 crisis line, as well as providing walk-in crisis support with trained advocates available to provide crisis intervention, emotional support, advocacy, education and referrals.

Our CARE team advocates provide hospital and law enforcement accompaniment, crisis intervention, emotional support, criminal justice, legal and social service advocacy, education, and referrals.

Lastly, in partnership with Yolo County law enforcement agencies, Empower Yolo's Domestic Violence Response Team provides crisis intervention, emotional support, legal and law enforcement advocacy, court preparation services, safety planning, and social service advocacy.

- **Youth Services:** Empower Yolo provides youth services to help ensure that every youth has the opportunity for a safe, nurturing, and stimulating environment to develop and grow their potential, including After School Safety and Enrichment for Teens program, partnering with schools and communities to provide academic support and safe, constructive alternatives for high school students.

In addition, the Agency provides counseling services for children who have been victimized by violence, sexual abuse, neglect, school or community violence, parental substance abuse, who have witnessed violence in their home, or have experienced any other child maltreatment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Empower Yolo have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), which require the Agency to report information regarding its financial position and activities according to the following net asset categories:

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 Agency's management and 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 Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

EMPOWER YOLO, INC.
(A Not-for-Profit Corporation)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Donor restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

Cash consists of cash on deposit with banks. Cash equivalents represent highly liquid investments with original maturities of three months or less from the date of purchase.

Grants and Contracts Receivable

Grants and contracts receivable are stated at estimated net realizable value and primarily represent reimbursements due for costs incurred under grant or contract agreements or fees due for services rendered under contract agreements. No allowance for doubtful accounts was deemed necessary as of June 30, 2021 and 2020.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. There were no conditional promises to give as of June 30, 2021 and 2020.

Fixed Assets

Fixed assets are stated at cost at the date of purchase, or, for donated assets, at fair value as of the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The Agency's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. The Agency's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Compensated Absences

Empower Yolo compensates employees for all unused vacation upon termination. An estimated liability of for compensated absences is recorded as vacation benefits accrue to employees. Such liability of \$156,781 and \$129,029 as of June 30, 2021 and 2020, respectively, is reflected within accrued payroll and related liabilities in the accompanying financial statements.

Revenue Recognition

Revenues from grants and contracts are recognized according to the specific agreement. Revenues under cost reimbursement contracts are recognized to the extent project expenses are incurred and reimbursable. Under other contract agreements, fees are recognized as revenue when performance obligations have been satisfied.

EMPOWER YOLO, INC.
(A Not-for-Profit Corporation)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Advances received but not yet earned are reported as deferred revenue.

Grants and 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-imposed restrictions. 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 statements of activities as net assets released from restrictions.

In-Kind Donations

Contributions of in-kind goods and services are recognized at estimated fair value when received based on information provided by third party providers. In-kind services are recognized as contributions per GAAP if the services (1) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. There were contributed services of \$32,041 and \$26,299 meeting the above revenue recognition criteria during the years ended June 30, 2021 and 2020, respectively, primarily legal, counseling, and educational services.

Several volunteers have made significant contributions of their time in furtherance of the Agency's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria described above for recognition under GAAP.

During the years ended June 30, 2021 and 2020, Empower Yolo received donated goods of \$55,697 and \$42,940, respectively, including donated rent of \$13,036 for one programmatic location in both years.

Contributed property and equipment are recorded at fair value as of the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Direct costs are charged directly to programs and/or functions. Certain other costs are allocated among program services and supporting services benefited and according to the Agency's cost allocation plan and based on the percentage of actual employee time charged to each functional category each month to total time incurred.

Advertising Costs

All advertising costs are expensed as incurred. The Agency incurred advertising expense of \$966 and \$926 during the years ended June 30, 2021 and 2020, respectively.

EMPOWER YOLO, INC.
(A Not-for-Profit Corporation)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Tax-Exempt Status

Empower Yolo is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Agency has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Agency's informational returns are subject to examination by Federal and State taxing authorities generally for three years after they are filed. Empower Yolo has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Concentrations of Risk

The California Department of Education and the Governor's Office of Emergency Services combined to provide 42% of the support and revenue recognized during the year ended June 30, 2021. A significant change in such funding could have a material adverse impact on the Agency's ongoing activities and financial position.

Empower Yolo receives Federal and State funds for specific purposes and is subject to compliance requirements. Such funding is subject to review and audit by the grantor and contracting agencies at their discretion. If such audits were to disallow any expenditure, the Agency could potentially be liable to return funds. Management believes that such amounts, if any, would not have a material effect on the financial statements. This is not considered a probable contingency and, therefore, a liability has not been estimated and is not reflected in the accompanying financial statements.

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of cash and equivalents. Empower Yolo maintains its cash and cash equivalents in two financial institutions. The Agency may periodically exceed the \$250,000 federally insured limit for each financial institution. The Agency's cash and cash equivalent accounts have been placed with high credit quality financial institutions. Empower Yolo has not experienced, nor does it anticipate, any losses with respect to such accounts.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based

EMPOWER YOLO, INC.
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on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Level 1: Unadjusted quoted market prices for identified assets and liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted markets that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Reclassifications

Certain reclassifications have been made to the prior year balances, in order to conform with current year presentation.

Subsequent Events

Management has evaluated events through March 20, 2022, the date on which the financial statements were available to be issued. No events occurred subsequent to year-end that require additional adjustment to or disclosure in the financial statements.

3. FIXED ASSETS

As of June 30, 2021 and 2020, property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 823,830	\$ 823,830
Buildings and improvements	2,035,235	1,682,730
Furniture and equipment	63,227	104,343
Equipment under capital leases	_31,018	_31,018
Construction in progress	-	<u>21,472</u>
Subtotal	<u>2,953,310</u>	<u>2,663,393</u>
Less: accumulated depreciation	<u>(1,438,056)</u>	<u>(1,429,128)</u>
Net fixed assets	<u>\$ 1,515,254</u>	<u>\$ 1,234,263</u>

EMPOWER YOLO, INC.
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Depreciation and amortization expense was \$50,042 and \$60,751 during the years ended June 30, 2021 and 2020, respectively.

4. AVAILABILITY AND LIQUIDITY

The following represents Empower Yolo's financial assets at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 293,219	\$ 318,095
Grants and contracts receivables	619,039	994,290
Other receivables	<u>8,494</u>	<u>3,703</u>
Total financial assets	920,752	1,316,088
 Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(182,659)</u>	<u>(450,881)</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 738,093</u>	 <u>\$ 865,207</u>

Empower Yolo has \$738,093 in financial assets available to meet general expenditures, as well as a \$150,000 revolving line of credit as of June 30, 2021.

EMPOWER YOLO, INC.
(A Not-for-Profit Corporation)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

5. DEBT

As of June 30, 2021, long-term debt is comprised as follows:

Note payable to a bank, secured by deed of trust on real property on two properties in both Woodland and Davis, California, with payments of \$2,142 due monthly. The note carries an interest rate indexed to the 5-year Treasury bill plus 3% (5.390% at June 30, 2021). A balloon payment, together with any outstanding principal and accrued interest payable, is due June 17, 2029. \$ 335,698

Capital lease for equipment with a bargain purchase option. The interest rate implicit in these leases is 6%. Monthly payments at June 30, 2020 are \$556 and expire on July 2022. Secured by equipment with an original purchase price of \$31,018 and accumulated depreciation of \$17,724 as of June 30, 2021. 5,838

Less: current portion (14,201)
Total long-term debt \$ 327,335

Interest expense for the years ended June 30, 2021 and 2020 approximated \$19,777 and \$29,681, respectively.

Annual principal maturities of debt are as follows:

Fiscal Year Ending June 30:	<u>Notes Payable</u>	<u>Capital Lease</u>
2022	\$ 7,530	\$ 6,672
2023	7,952	556
2024	8,350	-
2025	8,865	-
2026	9,887	-
Thereafter	<u>293,115</u>	<u>-</u>
Total payments	335,698	7,228
Less: portion representing interest	-	<u>(1,390)</u>
Total debt – principal only	<u>\$ 335,698</u>	<u>\$ 5,838</u>

In addition, Empower Yolo has a \$150,000 revolving line of credit with a bank secured by real property. The credit line carries a variable interest rate at the WSJ prime rate plus .5% (6.0% at June 30, 2021). As of June 30, 2021, no amounts were outstanding on the line of credit. Any outstanding amounts due on the line, including principal and accrued interest, are due and payable in entirety on June 17, 2024.

EMPOWER YOLO, INC.
(A Not-for-Profit Corporation)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Kitchen remodel	\$ 10,931	\$ 303,257
Property improvements	157,500	-
ASSETS program	-	137,624
Other	7,765	-
Animal health for families	<u>6,463</u>	<u>10,000</u>
Total net assets with donor restrictions	<u>\$ 182,659</u>	<u>\$ 450,881</u>

Net assets released from donor restrictions during the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Kitchen remodel	\$ 292,326	\$ 5,482
Resource and referral	-	32,177
ASSETS program	137,624	112,377
Building repairs	42,500	18,043
Shelter and re-housing	52,000	1,000
Educational equity programming	27,252	-
COVID relief efforts	40,000	-
Latin outreach services	20,000	-
Other	<u>17,052</u>	<u>12,254</u>
Total net assets released from donor restrictions	<u>\$ 628,754</u>	<u>\$ 181,333</u>

7. LEASE COMMITMENTS

Empower Yolo leases one copier and two programmatic locations under month-to-month leases as of the date of this report, without ongoing lease commitments in future years. In addition, other programmatic space is donated to Empower Yolo free of charge or when the Agency participates in a one-stop client support location.

Rent expense, including month-to-month equipment and space leases and donated rent, for the years ended June 30, 2021 and 2020 approximated \$21,833 and \$30,345, respectively.

EMPOWER YOLO, INC.
(A Not-for-Profit Corporation)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

8. RETIREMENT PLAN

Empower Yolo sponsors a defined contribution plan that covers regular full-time employees eighteen years or older with at least one year of service. The plan allows eligible employees discretionary contributions up to a maximum amount allowed under IRS Section 403(b). The Agency makes employer-matching contributions up to 3% of participants' compensation. Employer contributions vest incrementally over 5 years. Total employer contribution expense was \$22,916 and \$23,210, respectively, for the years ended June 30, 2021 and 2020.

9. RELATED PARTY TRANSACTIONS

The spouse of the Executive Director was employed by the Agency on an hourly basis providing maintenance services as needed, with compensation of \$54,980 and \$58,620, respectively, during the years ended June 30, 2021 and 2020.

10. RISKS AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") originated in Wuhan, China and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, where Empower Yolo is located, have declared a state of emergency. In response, the U.S. Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which includes significant provisions to provide relief and assistance to affected organizations.

COVID-19 could adversely affect the economies and financial markets of many countries, including the United States, resulting in an economic downturn that could affect Empower Yolo in a variety of ways. COVID-19 forced the Agency to make a number of operational changes in our shelters and resource centers.

The pandemic has devastated the low-income population in Yolo County. Newly unemployed, homeless and housing-insecure families have come to Empower Yolo for assistance, while other non-profit organizations closed their doors to in-person services.

To address the increased need during the pandemic, Empower Yolo experienced an unprecedented response from our generous donors with an increase in donor restricted funding for client assistance. Most of those funds were, or will be, passed on directly to clients, providing funding for client rent, utilities, medical prescriptions, and childcare, as well as food vouchers and bus passes, when individuals and families were unable to provide such needs for themselves.

In April 2020, Empower Yolo received loan proceeds of \$377,500 from a promissory note issued by Umpqua Bank, under the Paycheck Protection Program ("PPP") which was established under the CARES Act and is administered by the U.S. Small Business Administration. The term of the

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Years Ended June 30, 2021 and 2020

loan is two years, and the annual interest rate is 1.00%. Payments of principal and interest are deferred for the first six months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all, or a portion of, the loans granted under PPP. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent, and utility expenses and the maintenance of workforce and compensation levels with certain limitations. Empower Yolo has recorded the loan proceeds as debt as of June 30, 2020 and received loan forgiveness during the year ended June 30, 2021.

SUPPLEMENTARY INFORMATION

EMPOWER YOLO, INC.
(A Not-for-Profit Organization)
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Education <i>Passed Through State of California Department of Education, Expanded Learning Division, 1430 N Street, Suite 3400, Sacramento, CA 95814 (916) 319-0923</i>				
21st Century Community Learning Centers Program (Core)	84.287	57 14535 A7-2A	205,908	\$ 32,192
U.S. Department of Treasury <i>Passed through Local Initiatives Support Corporation, 28 Liberty Street, New York, New York 10005 (916) 243-5538</i>				
Emergency Rental Assistance Program	21.023	ERA0003	8,015	-
U.S. Department of Housing and Urban Development <i>Passed Through State of California Department of Housing and Community Development, 2020 West El Camino Avenue, P.O. Box 95234 (916) 263-2771</i>				
Emergency Solutions Grant	14.231	19-ESG-13137	97,804	-
Emergency Solutions Grant	14.231	18-ESG-11884	3,040	-
Emergency Solutions Grant - Homeless Prevention	14.231	NA	34,238	-
Emergency Solutions Grant - Repaid Rehousing	14.231	NA	23,992	-
Total U.S. Department of Housing and Urban Development			159,074	-
U.S. Department of Health and Human Services <i>Passed Through City of Woodland, Community Services Department, City of Woodland, 2001 East Street, Woodland, CA 95776 (530) 661-5927</i>				
Community Development Block Grant - Woodland Shelter	93.569	NA	7,935	-
U.S. Department of Justice <i>Passed Through State of California Office of Emergency Services, Victim Services Branch, 3650 Schriever Ave., Mather, CA 95655 (916) 845-8280</i>				
Child Abuse Treatment (AT)	16.575	AT 20 01 1034	133,231	-
Child Abuse Treatment (AT)	16.575	AT 19 05 1034	136,193	-
Domestic Violence Assistance Program	16.575	DV 20 17 1034	389,421	-
Domestic Violence Assistance Program	16.575	DV 19 16 1034	161,346	-
Rape Crisis Program	16.575	RC 20 40 1034	234,758	-
Rape Crisis Program	16.575	RC 19 39 1034	109,047	-
Specialized Emergency Housing Program (KE)	16.575	KE 19 02 0570	62,016	-
Specialized Emergency Housing Program (KE)	16.575	KE 20 03 0570	209,758	-
Victim Advocacy in Detention Center (KA)	16.575	KA 20 03 1034	136,137	-
Victim Advocacy in Detention Center (KA)	16.575	KA 19 02 1034	75,601	-
County Victim Services Program (XC)	16.575	XC 20 03 0570	89,763	-
County Victim Services Program (XC)	16.575	XC 19 02 0570	88,561	-
Emergency Response to Interpersonal Violence - Pandemic Program Part Two 2021	16.575	CO 20 02 1578	6,229	-
Transitional Housing Program	16.575	XH 20 03 0570	76,301	-
Transitional Housing Program - VOCA 18	16.575	XH 19 02 1034	58,089	-
Total U.S. Department of Justice			1,966,451	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,347,383</u>	

Question on Valor - I have as federal funds - need SEFA info

See accompanying note to this schedule

EMPOWER YOLO, INC.
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 (the Schedule) includes the federal award activity of Empower Yolo under programs of the federal government for the year ended June 30, 2019. The information in the 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 Empower Yolo, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Federal 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

Empower Yolo has elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

EMPOWER YOLO, INC.
 Schedule of Expenditures
 California Governor's Office of Emergency Services Grants
 Year Ended June 30, 2021

	AT 19.05.1034	AT 20.01.1034	DV 20.17.1034	DV 19.16.1034	RC 20.40.1034	XH 20.03.0570	XH 19.02.1034	RC 19.39.1034	KA 20.03.1034	KA 19.02.1034	KE 19.02.0570	KE 20.03.0570	XC	CO 20.02.1578
Revenues and support:														
Government grants and contract	\$ 136,193	\$ 133,231	\$ 389,421	\$ 161,346	\$ 234,995	\$ 76,301	\$ 58,089	\$ 109,089	\$ 136,137	\$ 75,905	\$ 64,710	\$ 209,933	\$ 178,324	\$ 6,229
Donated goods and services	-	-	-	1,141	-	-	-	-	-	-	-	-	-	-
Total revenues and support	136,193	133,231	389,421	162,487	234,995	76,301	58,089	109,089	136,137	75,905	64,710	209,933	178,324	6,229
Expenses:														
Personnel expenses	97,057	63,250	339,748	122,930	201,210	25,656	24,045	86,012	122,199	62,726	50,287	-	178,268	3,716
Other operating expenses	42,500	69,981	50,413	38,664	33,548	51,030	34,063	23,035	15,130	12,875	11,729	209,758	56	2,513
In-kind match	-	-	-	1,141	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	139,557	133,231	390,161	162,735	234,758	76,686	58,108	109,047	137,329	75,601	62,016	209,758	178,324	6,229
Excess of expenses (over) under revenue	\$ (3,364)	\$ -	\$ (740)	\$ (248)	\$ 237	\$ (385)	\$ (19)	\$ 42	\$ (1,192)	\$ 304	\$ 2,694	\$ 175	\$ -	\$ -

OTHER REPORTS

**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 and Management of
Empower Yolo, Inc.
Woodland, 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 Empower Yolo, Inc. (the Agency) (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 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 Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION
Walnut Creek, California
March 20, 2022

**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 and Management of
Empower Yolo, Inc.
Woodland, California

Report on Compliance for Each Major Federal Program

We have audited Empower Yolo, Inc.'s (the Agency) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2021. Empower Yolo's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Empower Yolo, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the Organization'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 Empower Yolo'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a 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 Guidance. Accordingly, this report is not suitable for any other purpose.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California

March 20, 2022

EMPOWER YOLO, INC.
(A Nonprofit Corporation)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I – Summary of Auditors’ Results

<u>Financial Statements</u>	
Type of auditors’ report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No
<u>Federal Awards</u>	
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	No
Type of auditors’ report issued on compliance for major program	Unqualified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
<u>Identification of major programs:</u>	
<u>CFDA No.</u> 16.575	<u>Name of Federal Program or Cluster</u> Domestic Violence Assistance; Child Abuse Treatment; Rape Crisis Services; Victim Advocacy in Detention Center; Transitional Housing; Specialized Emergency Housing
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as a low-risk auditee?	No

EMPOWER YOLO, INC.
(A Nonprofit Corporation)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section II – Financial Statement Findings

None.

Section III – Findings and Questioned Costs for Federal Awards

None.

Section IV – Status of Prior Year Findings

Finding 2020-01 INTERNAL CONTROL OVER FINANCIAL REPORTING: RECORD RETENTION (SIGNIFICANT DEFICIENCY)

Criteria: Key source documents and evidence of the operation of key controls over financial reporting should be readily accessible in accordance with the organization's record retention policy, whether in hard copy or electronic form, and protected from unauthorized access and/or deletion.

Condition: Many source documents were not able to be easily located for audit purposes. Of 80 disbursements selected for testing, 33 could not be immediately located within the designated hard copy vendor files.

In addition, while key financial reporting controls were determined to be in operation during the year, evidence of their operation had not been retained in the files with reviewer signatures.

Questioned Cost: None

Effect: Records not organized and locatable according to an established record retention policy increase operational, regulatory, and financial reporting risk, including fraud, and negatively impact the efficiency of operations.

Cause: Certain 2020 records have not been filed and maintained due to the following:

- The transition of key finance personnel during 2020
- Lack of resources dedicated to administrative tasks, such as filing and scanning
- Work-from-home requirements during fiscal 2020 due to the COVID-19 pandemic
- Policies and procedures addressing the organization, preservation, and security of financial records, whether hard copy or electronic

Recommendation: We acknowledge that the financial staffing deficits that occurred during fiscal 2020 have been eliminated. However, the organization should also consider whether adequate administrative staff exist to support record retention policies.

EMPOWER YOLO, INC.
(A Nonprofit Corporation)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

We also recommend that the organization re-address record retention and information security policies, to ensure a policy for hard copy and/or electronic records (including emails) provides ongoing institutional knowledge, accessibility of information to individuals performing their assigned duties, and sufficient information security.

Status Corrective action was taken, and the finding has been remediated.