Golden Gate Regional Center
Supporting Lives of Liberty and Opportunity

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED INFORMATION FOR THE
YEAR ENDED JUNE 30, 2020

GOLDEN GATE REGIONAL CENTER, INC.

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

With Summarized Information for the Year Ended June 30, 2020

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Board of Directors
Golden Gate Regional Center, Inc.
San Francisco, California

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Golden Gate Regional Center, Inc., a California nonprofit public benefit 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.

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.

Auditor's Responsibility

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

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

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

BKR INTERNATIONAL
Certified Public Accountants, 301 Howard Street, Suite 850, San Francisco, California 94105
Telephone 415 957 9999 Facsimile 415 957 1629 http://www.lvhj.com

Opinion

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on page 19 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 20, 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 also not a required part of the basic 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.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued a report dated November 16, 2021 on our consideration of Golden Gate Regional Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Golden Gate Regional Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Golden Gate Regional Center, Inc.'s internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of Golden Gate Regional Center, Inc. as of June 30, 2020 were audited by other auditors, whose report dated November 18, 2020, expressed an unmodified opinion on those statements.

Lindquist, von Husen and Joyce LLP

November 16, 2021

GOLDEN GATE REGIONAL CENTER, INC.

(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

With Summarized Information at June 30, 2020

	2021	2020
ASSETS		
Current assets:		
Cash	$ 30,815,112	$ 25,856,129
Cash held for Community Placement Plan for Individuals with Developmental Disabilities (CPPDD) (Note 10)	1,020,082	1,020,082
Receivables:		
Contract reimbursement receivable (Note 3)	90,864,246	98,136,018
Client funds receivable	13,932	67,760
Receivable from Intermediate Care Facilities (Note 4)	3,156,025	3,669,026
Prepaid and other expenses	3,790	275,568
Security deposits	7,035	7,035
Total assets	$ 125,880,222	$ 129,031,618
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 32,117,263	$ 31,798,724
Contract advance (Note 6)	89,233,129	93,282,391
Accrued vacation and other leave benefits	2,485,460	2,207,178
Deferred rent liability (Note 8)	1,845,717	1,527,810
Total liabilities	125,681,569	128,816,103
Net assets:		
With donor restrictions (Note 9)	198,653	215,515
Total net assets	198,653	215,515
Total liabilities and net assets	$ 125,880,222	$ 129,031,618

The accompanying notes are an integral part of these financial statements.

GOLDEN GATE REGIONAL CENTER, INC.

(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

With Summarized Information for the Year Ended June 30, 2020

	2021			2020
	Without Donor Restrictions	*With Donor Restrictions*	*Total*	*Total*
Support and revenue:				
Grants – State DDS	$ 392,670,932	$ -	$ 392,670,932	$ 354,564,521
Grants – Federal	1,989,924	-	1,989,924	1,856,646
Intermediate Care Facilities (ICF)	8,628,130	-	8,628,130	7,046,185
Interest	26,973	-	26,973	397,273
ICF processing income	137,785	-	137,785	92,613
Donations and gifts	-	17,155	17,155	65,021
Other income	5,904	-	5,904	-
Net assets released from restrictions	34,017	(34,017)	-	-
Total support and revenue	403,493,665	(16,862)	403,476,803	364,022,259
Expenses:				
Program services:				
Direct client services	400,151,601	-	400,151,601	360,360,844
Supporting services:				
Management and general	3,342,064	-	3,342,064	3,646,528
Total expenses	403,493,665	-	403,493,665	364,007,372
Change in net assets	-	(16,862)	(16,862)	14,887
Net assets, beginning of year	-	215,515	215,515	200,628
Net assets, end of year	$ -	$ 198,653	$ 198,653	$ 215,515

The accompanying notes are an integral part of these financial statements.

GOLDEN GATE REGIONAL CENTER, INC.

(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

With Summarized Information for the Year Ended June 30, 2020

	2021			2020
	Program Services	*Management and General*	*Total*	*Total*
Salaries and related expenses:				
Salaries	$ 14,711,358	$ 1,510,756	$ 16,222,114	$ 16,072,690
Employee health and retirement benefits	4,346,552	458,727	4,805,279	4,685,952
Payroll taxes	199,900	20,808	220,708	212,447
Total salaries and related expenses	19,257,810	1,990,291	21,248,101	20,971,089
Purchase of services:				
Residential care facilities	132,742,006	-	132,742,006	120,039,860
Day programs	51,979,513	-	51,979,513	38,687,758
Other purchased services	190,707,726	-	190,707,726	177,088,906
Facility rent	3,198,257	328,714	3,526,971	3,123,911
Consultant fee	920,393	94,597	1,014,990	1,365,685
Legal fees	-	611,048	611,048	604,877
Communication	321,987	33,094	355,081	429,852
General and Board of Directors	436,878	44,902	481,780	461,399
Insurance	176,893	18,181	195,074	183,432
Staff travel	47,050	8,854	55,904	160,128
Equipment rental	139,517	14,339	153,856	154,117
Data processing	130,759	13,439	144,198	131,791
General office expenses	6,871	706	7,577	248,641
Equipment purchases	36,905	3,793	40,698	77,870
Accounting fees	-	71,138	71,138	70,516
ARCA dues	-	68,389	68,389	68,389
Help fund expenses	34,017	-	34,017	50,134
Equipment and facility maintenance	7,673	789	8,462	42,395
Bank charges	-	3,354	3,354	22,067
Printing	7,346	755	8,101	12,500
Interest	-	35,681	35,681	12,055
Total expenses	$ 400,151,601	$ 3,342,064	$ 403,493,665	$ 364,007,372

The accompanying notes are an integral part of these financial statements.

GOLDEN GATE REGIONAL CENTER, INC.

(A California Nonprofit Public Benefit Corporation)

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

With Summarized Information for the Year Ended June 30, 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ (16,862)	$ 14,887
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in assets:		
Contract reimbursement receivable	7,271,772	(2,438,914)
Client funds receivable	53,828	80,017
Receivable fro Intermediate Care Facilities	513,001	(1,067,472)
Prepaid expenses	271,778	(7,324)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	318,539	5,115,417
Accrued vacation and other leave benefits	278,282	337,843
Deferred rent liability	317,907	-
Net cash provided by operating activities	9,008,245	2,034,454
Cash flows from financing activities:		
Proceeds from contract advance	100,190,173	93,231,282
Repayment of contract advance	(104,239,435)	(80,562,639)
Net cash provided by (used in) financing activities	(4,049,262)	12,668,643
Increase in cash	4,958,983	14,703,097
Cash, beginning of year	26,876,211	12,173,114
Cash, end of year	$ 31,835,194	$ 26,876,211
Cash	$ 30,815,112	$ 25,856,129
Cash held for Community Placement Plan for Individuals with Developmental Disabilities (CPPDD)	1,020,082	1,020,082
Total cash shown in the statement of cash flows	$ 31,835,194	$ 26,876,211

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Golden Gate Regional Center, Inc. (the Center), was incorporated on November 10, 1977 as a California nonprofit public benefit corporation under contract with the State of California Department of Developmental Services (DDS) for the purpose of operating the Center and related activities. The Center was organized in accordance with the provision of the Lanterman Developmental Disabilities Services Act (the Lanterman Act) of the Welfare and Institutions Code of the State of California. In accordance with the Lanterman Act, the Center coordinates, through outside providers, diagnostic and assessment of eligible services to persons with developmental disabilities and plans, accesses, coordinates and monitors services to such individuals and their families. The Center is one of 21 regional centers within the State of California system and serves the counties of Marin, San Francisco, and San Mateo.

The Lanterman Act includes governance provisions regarding the composition of the Center's Board of Directors. The Lanterman Act states that the Board shall be comprised of individuals with demonstrated interest in, or knowledge of, developmental disabilities, and other relevant characteristics, and requires that a minimum of 50% of the governing board be persons with developmental disabilities or their parents or legal guardians; and that no less than 25% of the members of the governing board shall be persons with developmental disabilities. In addition, a member of a required advisory committee composed of persons representing the various categories of providers from which the Center purchases client services, shall serve as a member of the board. To comply with the Lanterman Act, the Center's board of directors includes persons with developmental disabilities, or their parents or legal guardians, who receive services from the Center and a client service provider of the Center.

The Center's mission statement is as follows:

> Golden Gate Regional Center was organized as a non-profit corporation to build inclusive communities by connecting and developing innovative services and support responsive to the needs and aspirations of individuals with intellectual and developmental disabilities, and their families while educating and informing all community members about the rights, value and potential of human diversity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

State of California Contract

The Center operates under an annual cost-reimbursement contract with DDS under the Lanterman Act. The maximum expenditures under the contract are limited to the contract amount plus interest earned. The Center is required to maintain accounting records in accordance with the Regional Center Fiscal Manual, issued by DDS, and is required to have DDS approval for certain expenses. In the event of termination or nonrenewal of the contract, the State of California maintains the right to assume control of the Center's operation and the obligation of its liabilities.

Under the terms of these contracts, funded expenditures are not to exceed $409,311,317, $388,210,148, and $321,135,656 for the FY 2020-2021, FY 2019-2020, and FY 2018-2019 contract years, respectively, and are subject to budget amendments. As of June 30, 2021, actual net expenditures under the FY 2020-2021, FY 2019-2020, and FY 2018-2019 contracts were $385,064,319, $359,660,935, and $317,061,592, respectively. The unexpended balance under these contracts amounting to $24,246,998, $28,549,213, and $4,074,064 for the FY 2020-2021, FY 2019-2020, and FY 2018-2019 contract years, represents a conditional contribution that will be used to fund expenditures in the next fiscal years until the contract amounts are fully expended or expire. The Center can bill DDS in the future for expenses relating to previous fiscal years if the expenses billed relate to the previous fiscal year. As a result, the Center internally tracks revenue by current year, previous year and second previous year.

Accounting Method

The Center uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The Center reports information regarding its financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Center.

- Net assets with donor restrictions include those assets subject to donor restrictions and for which the applicable restrictions were not met as of the end of the current reporting period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a donor restriction expires – that is, when a stipulated time restrictions 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*. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Revenue Recognition:

Contributions

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as support without donor restrictions or support with donor restrictions, depending on the absence or existence of donor-imposed restrictions as applicable. 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. If donors' restrictions are satisfied in the same period that the contribution is received, the contribution is reported as support without donor restrictions.

Government contracts, which are funded on a reimbursement basis, are shown as revenue without donor restriction. A portion of the Center's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions.

The Center adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believed the standard improved the usefulness and understandability of the Center's financial reporting.

In accordance with the ASU, the Center determined that governmental contract revenue represents unconditional contributions to the extent that reimbursable costs have been incurred. The excess unexpended balance of the governmental contracts represents a conditional contribution. Adoption of the new ASU did not result in a material change in the Center's financial reporting.

Federal Grants

U.S. Department of Education

The Center is a sub-recipient to DDS with regard to the Special Education Grants for Infants and Families, Part C, which provides funding for early intervention services for infants and toddlers, through age 3, as authorized by Public Law 102-119.

This grant is conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. During the years ended June 30, 2021 and 2020, the Center recognized grants revenue totaling $1,989,924 and $1,856,646, respectively, from this award. Amounts earned and released within the same year under conditional awards are reported as increases in net assets without donor restrictions in the accompanying statements of activities.

Cash and Restricted Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Restricted cash are funds restricted as to their use, regardless of liquidity, such as cash held for Community. The Center occasionally maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted cash, was approximately $32,383,000 as of June 30, 2021. The Center has not experienced any losses in such accounts.

Contract and Other Receivables

The majority of the Center's receivables represents or relates to the cost-reimbursement contract with DDS. Receivables are recorded at their net realizable value. The Center uses the allowance method to account for uncollectible receivables. Management believes that the receivables are fully collectible and, therefore, has not provided an allowance for doubtful accounts as of June 30, 2021 and 2020.

State Equipment

State Equipment is stated at cost of acquisition. Pursuant to the terms of the DDS contract, equipment purchases become the property of the State of California and, accordingly, are charged as expenses when incurred. The Center expenses the cost of equipment upon acquisition if purchased with funds from the DDS contract in accordance with the Regional Center Fiscal Manual. This departure from accounting principles generally accepted in the United States of America does not have a material impact on the financial statements. The Center capitalizes items which cost more than $5,000 and have an estimated useful life of more than one year.

State Equipment purchases for the years ended June 30, 2021 and 2020 totaled $17,877 and $-0-, respectively. State Equipment disposals for the years ended June 30, 2021 and 2020 totaled $-0- and $111,044, respectively. The capitalized equipment and reciprocating offset account at June 30, 2021 and 2020 totaled $1,555,759 and $1,537,882, respectively.

Accrued Vacation, Sick and Other Leave Benefits

The Center has accrued a liability for vacation and sick leave benefits earned by employees which is reimbursable under the DDS contract; however, such benefits are reimbursed under the DDS contract only when actually paid. The Center accrues vacation as earned up to 480 hours and sick leave for employees who are employed for five years or more. When the employee separates from service, the employee will receive the unused vacation and 1% of their accrued sick leave for each year employed by the Center.

Income Taxes

The Center is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and the related California code sections. Contributions to the Center qualify for the charitable contribution deduction.

The Center believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Center's federal and state information returns for the years 2017 through 2020 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively.

Functional Expenses Allocation

The costs of providing program and supporting services are summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses directly attributed to a specific functional area of the Center are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimates determined by management to be equitable. Shared costs are generally allocated among the program and supporting service benefited based on an analysis of personnel time and square footage occupied by the program and supporting services.

Subsequent Events

Management has evaluated subsequent events through November 16, 2021, the date on which the financial statements were available to be issued.

NOTE 3 – CONTRACT REIMBURSEMENT RECEIVABLE

Contract reimbursement receivable at June 30, 2021 and 2020 is summarized, as follows:

	2021	2020
Claims submitted:		
Current year	$ 20,479,427	$ 32,673,018
Prior year	65,848,476	59,277,496
Second prior year	205,166	2,449,735
Reimbursable expenses not yet submitted	4,331,177	3,735,769
Total	$ 90,864,246	$ 98,136,018

NOTE 4 – INTERMEDIATE CARE FACILITIES – STATE PLAN AMENDMENT

During the year ended June 30, 2011, various legislative changes were made to the California Welfare and Institutions Code retroactive to July 1, 2007, making Intermediate Care Facility (ICF) providers responsible for providing day treatment and transportation services; and ultimately, making such services eligible for reimbursement under California's Home and Community Based Services Program, which is funded by the Medicaid Waiver grant (Medicaid).

Previously, such services provided to the residents were not reimbursable by Medicaid because the funds were not directly billed and received by the ICFs. The legislative changes allow for DDS to bill these services to Medicaid and capture federal funds.

DDS directs the Center to prepare billings for these services on behalf of the ICFs. The billings included a 5.5% Quality Assurance fee for the State Department of Health Care Services (DHCS), a 1.5% administrative fee for the ICFs and a 1.5% administration fee for the Center.

Effective July 1, 2012, DDS directed the Center to prepare billings for these services on behalf of the ICFs and submit a separate state claim report for these services in addition to paying the ICF directly for their services. The Center was directed to reduce the amount of their regular state claim to DDS by the dollar amount of these services. Reimbursement for these services will be received from the ICFs. DDS advances the amount according to the state claim to the ICFs. The ICFs are then required to pass on the payments received, as well as the Center's administrative fee to the Center within 30 days of receipt of funds from the State Controller's Office.

The Center's activity related to the above funding at June 30, 2021 and 2020 is summarized, as follows:

	2021	2020
Receivable from ICF, beginning	$ 3,669,026	$ 2,601,554
Total billed from vendors	8,628,130	7,046,185
Amount remitted by vendors	(9,141,131)	(5,978,713)
Receivable from ICF, ending	$ 3,156,025	$ 3,669,026

NOTE 5 – LINE OF CREDIT

On May 1, 2020, the Center entered into a revolving line of credit agreement with the Bank of Tokyo-Mitsubishi UFJ, Ltd. in the amount of $35,000,000 through October 31, 2020. Funds drawn on this line bore interest at the bank's reference interest rate, which was equivalent to the U.S. prime rate. Funds drawn on this line was secured by all assets of the Center. On June 1, 2021, the Center entered into a new revolving line of credit agreement with MUFG Union Bank, N.A. in the amount of $35,000,000 which expired on September 30, 2021. Funds drawn on this line bore interest at the bank's reference interest rate, which was equivalent to the U.S. prime rate, which was 3.25% as of June 30, 2021. Funds drawn on this line of credit was secured by all assets of the Center. The terms of the agreement included certain nonfinancial covenants. The Center was in compliance with these financial covenants as of June 30, 2021. There was no outstanding balance on the line of credit at June 30, 2021.

In addition, the Center entered into an uncommitted line of credit with the Bank of Tokyo-Mitsubishi UFJ, Ltd. on May 1, 2020 for $35,000,000 with a term beginning on November 1, 2020 and expiring on April 30, 2021. The Center entered into a new uncommitted line of credit with MUFG Union Bank, N.A. on June 1, 2021 for $35,000,000 with a term beginning on October 1, 2021 and expiring on May 31, 2022. Borrowing under the uncommitted line of credit is at the sole discretion of the Bank and loans under this line shall not exceed the lesser of (1) the aggregate amount of reimbursable amounts already approved by DDS or (2) amounts certified by DDS as payable to the Center under the DDS approved budgets which, in either case, must be demonstrated to the Bank in writing. Funds drawn on this line bears interest at the bank's reference interest rate, which was equivalent to the U.S. prime rate. In addition, funds drawn on this line is secured by all assets of the Center. The terms of the agreement also included certain nonfinancial covenants.

NOTE 6 – CONTRACT ADVANCES

Contract advances represents funds DDS advances to the Center at the beginning of each fiscal year to provide interest-free working capital. DDS uses its discretion in determining the balance on a month-to-month basis. If DDS so chooses, the advances can be paid by off-setting claim reimbursements partially or in full or require the Center to make a payment. As of June 30, 2021 and 2020, the contract advances balance totaled $89,233,129 and $93,282,391, respectively.

NOTE 7 – OPERATING LEASES

The Center has entered into a non-cancelable lease agreement through December 2033 for its San Francisco office at 1355 Market Street which includes monthly base rent ranging from $109,285 to $311,870.

The Center has also entered into a non-cancelable lease agreement for its office space in Marin County, which includes monthly rent ranging from $31,094 to $40,571 and expires October 2028. The Center also has a non-cancelable lease agreement for its office space in San Mateo County through June 2023 that includes monthly rent ranging from $72,442 to $79,159.

The Center also has an operating lease for office equipment with monthly payments of $9,123. The lease expires September 2023.

Under the terms of these leases, the Center is subject to its share of the utilities, certain operating expenses, and real estate taxes in excess of the base rents.

Future obligations on leases in effect at June 30 are as follows:

For the Years Ending June 30,	
2022	$ 3,762,598
2023	4,109,962
2024	3,254,856
2025	3,352,501
2026	3,453,076
Thereafter	26,649,906
Total	$ 44,582,899

Rent expense for the year ended June 30, 2021 and 2020, totaled $3,423,793 and $3,123,911, respectively.

NOTE 8 – DEFERRED RENT LIABILITY

The Center leases office facilities under lease agreements that are subject to scheduled acceleration of rental payments. The scheduled rent increases are amortized evenly over the term of the lease in accordance with U.S. GAAP. The deferred rent liability of $1,845,717 and $1,527,810 at June 30, 2021 and 2020, respectively, represents the difference between the cash payments made and the amount expensed since inception of the lease. The DDS contract reimburses the Center for rent after it is paid and this amount is included in contract reimbursement receivable on the statement of financial position.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2021 and 2020, net assets with donor restrictions totaled $198,653 and $215,515, respectively, and represents donations and gifts restricted for the benefit of clients.

NOTE 10 – COMMUNITY PROGRAM FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

Background

In March 2006, the Bay Area Housing Plan (BAHP) was developed by the Center, Regional Center of the East Bay, Inc. (RCEB) and San Andreas Regional Center (SARC) (collectively the Regional Centers), working in collaboration under the Bay Area Unified Plan.

The BAHP was established to provide affordable, community based housing for people with developmental disabilities in the San Francisco Bay Area, through a Housing Development Agreement among the Regional Centers and a master developer (the Agreement). The BAHP meets the requirements to provide housing to people with developmental disabilities under AB 2100, as codified in Welfare and Institutions Code §4688.5.

The initial beneficiaries of the BAHP were the residents of the Agnews Developmental Center (Agnews) in San Jose, California as they were transitioned to community housing from Agnews due to its scheduled closure. The BAHP established the strategy and timeline for the acquisition, construction, and financing for the completion of homes for these residents. All of the residents have been successfully transitioned out of Agnews.

The Regional Centers determined, in their discretion, the types, amounts, and locations of these residences. A total of 60 properties were purchased and developed by the master developer.

For the purpose of managing the Regional Centers' responsibilities under the Agreement, the Regional Centers formed a Steering Committee, which is comprised of the three Executive Directors of the Regional Centers. The Steering Committee has the authority to administer the Agreement and bind the Regional Centers to the terms and conditions of the Agreement. The Steering Committee makes all decisions by consensus where possible, but may also act by a majority vote. Notwithstanding the foregoing, if the action to be taken by the Steering Committee concerns a specific property located within a Regional Center's catchment area, the Executive Director for that Regional Center must vote in favor of such action for it to be binding on the Steering Committee.

Three non-profit organizations (NPOs) acquired fee title to the properties from the master developer. The NPOs were:

- Bay Area Housing Corporation (BAHC), which acquired 32 residences in SARC's catchment area.
- Housing Consortium of the East Bay (HCEB), which acquired 15 residences in RCEB's catchment area.
- West Bay Housing Corporation (WBHC), which acquired 13 residences m the Center's catchment area.

Subsequently, the NPOs conveyed their ownership interests in the residencies to three single member limited liability companies (the LLCs), each owned by its respective NPO. The LLCs are:

- Casa Milagro LLC, owner of 32 residences (from BAHC)
- Inclusive Communities East Bay, LLC, owner of 15 residencies (from HCEB)
- A Home for Life, LLC, owner of 13 residences (from WBHC)

The LLCs lease such properties to the Regional Centers' service providers under 60 long-term operating leases. The service providers operate the properties for the benefit of consumers who receive service fees from the Regional Centers.

The leases will terminate on the 17th anniversary of their commencement dates or 18 months after the date that the applicable LLC/landlord fully repays the current lender's permanent financing (discussed below).

All of the 60 properties are encumbered by Lease Assurance Covenants, Conditions and Restrictions, and a Memorandum of Agreement and Lease which provides, among other things, that the use of each property shall be solely for the benefit of qualified individuals with developmental disabilities in perpetuity, in compliance with the requirements in Welfare and Institutions Code §4688.5.

The master developer borrowed funds from Bank of America to acquire and develop the 60 properties. California Housing Finance Agency (CalHFA) then lent funds to the LLCs to refinance the Bank of America loans. CalHFA's loans remained in effect until February 18, 2011, when they were paid off through the bond financing discussed below.

Bond Financing

In December 2010, the California Health and Human Services Agency (CHHSA) and DDS provided their approval for the LLCs to obtain bond financing to refinance the CalHFA loans.

In the refinance plan and thereafter, the BAHP is referred to as the Community Placement Plan for Individuals with Developmental Disabilities (CPPDD).

In the refinance plan dated February 1, 2011, the California Health Facilities Finance Agency (CHFFA) agreed to loan $76,970,000 to the LLCs through the issuance of insured revenue bonds. The Office of Statewide Health Planning and Development (OSHPD) provided loan insurance for the bonds. The bonds were issued as:

- $44,725,000 Taxable Series 2011A due at various dates, with interest rates ranging from 4.00% up to 6.25%, with the longest term bonds due on February 1, 2026.

- $32,245,000 Taxable Series 2011B due at various dates, with interest rates ranging from 3.30% up to 8.00%, with the longest term bonds due on February 1, 2026.

The Bond trustee is U.S. Bank National Association (Bond trustee).

CHFFA issued the bonds to investors, and lent the proceeds from the sale of the bonds to the LLCs, on or about February 18, 2011. The loans from CHFFA to each LLC repaid the CalHFA loans in full and also covered one year of required debt reserves and other costs and expenses.

Responsibility for repayment of the loans for these bonds has been divided among the LLCs. The Loan Agreements call for monthly payments by each LLC. Each loan is secured by, among other things, deeds of trust on the residences and a pledge of the LLCs' gross revenues.

CHFFA, DDS, the Regional Centers and the LLCs all agreed that the LLCs would obtain insurance for the payment of the Bonds from the OSHPD's Cal-Mortgage Loan Insurance Division. As partial consideration for the bond insurance the Regional Centers and the LLCs entered into a Regulatory Agreement with CHFFA and OSHPD that contains financial and reporting covenants, payment obligations and use restrictions consistent with the Welfare and Institutions Code §4688.5.

As further consideration for the bond insurance, the Regional Centers and the LLCs agreed to the following:

1) The Regional Centers executed a Lender Lease Assurance Agreement, whereby the Regional Centers unconditionally agreed, jointly and severally to pay the rent and other obligations of all service providers under all leases should the service providers fail to meet such obligations. This is relevant, since the LLCs rely on the receipt of such rent to repay the bond financing.

2) The Regional Centers agreed to maintain a liquidity operating fund in three separate accounts (one for each Regional Center), in the aggregate sum of $5,000,000. CHFFA and OSHPD have the right to draw on the liquidity operating fund to cure any defaults by the LLCs under the loan documents. Subject to such right, the Regional Centers' use of these funds are unrestricted; however each Regional Center must replenish any withdrawal from its liquidity operating fund necessary to maintain the required initial balance within twelve months from the date of such withdrawal. The Center's share of the liquidity operating fund is $1,020,082 and included in the statement of financial position. The remaining share of the fund is funded by RCEB and SARC.

3) Both the Regional Centers and the LLCs agreed to indemnify CHFFA and OSHPD for any post foreclosure transfer environmental losses.

The Regional Centers remit payments to each service provider for the services they provide to the consumers residing in the properties. The service providers then use such funds and other funds available to them to cover their costs, including their rent under the leases. Under each lease the applicable service provider is responsible for paying both the monthly base rent (which is equal to the monthly debt service payable to the Bond trustee) and additional charges as defined in the lease, including property taxes (if applicable), insurance and a replacement reserve (which is a minimum of $2,400 a year for each property). The LLCs, in tum, use the rents they receive under the leases to repay the CHFFA loans.

Due to the timing of the bond financing, one additional advance payment for loan interest and property taxes was required to be made to the Bond Trustee via rent under the leases.

The Center made this payment via advances to its service providers, which was then forwarded to the Bond Trustee. The service providers will repay these receivables to the Center at the end of the bond financing term, via applicable offsets that the Center will apply against funds it owes to the service providers under the Service Provider Agreements. At June 30, 2021 and 2020, CPPDD vendor advances – other totaled $67,269 and is included in prepaid and other expenses on the statements of financial position.

NOTE 11 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the statement of financial position at June 30, 2021 and 2020, comprise the following:

	2021	2020
Financial assets at end of year available within one year:		
Cash	$ 30,815,112	$ 25,856,129
Contract reimbursement receivable, net of contract advance	1,631,117	4,853,627
Accounts receivable from Intermediate Care Facilities	3,156,025	3,669,026
Accounts receivable from client funds	13,932	67,760
	35,616,186	34,446,542
Less financial assets not available for general expenditures:		
Net assets with donor restrictions for specific purposes	(198,653)	(215,515)
Financial assets available for general expenditures within one year	$ 35,417,533	$ 34,231,027

Financial assets include amounts that will be used to pay accounts payable, accrued expenses and other distributions from operating cash flow, if any, in the subsequent year. The Center has various sources of liquidity at its disposal, including cash and receivables which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Center throughout the year. This is done through monitoring and reviewing the Center's cash flow needs on a daily basis. To help manage unanticipated liquidity needs, the Center has a committed line of credit of $35,000,000, of which all was unused and available to draw upon as of June 30, 2021.

NOTE 12 – RETIREMENT PLAN

The Center maintains a contributory, IRC §403(b) defined contribution retirement plan (the Plan). The Plan is administered by Nationwide Investment Services Corporation. All employees are eligible to participate in the Plan upon employment by the Center. The Center contributes an amount equal to 10% of each employee's gross salary to the Plan. Total contributions for the year ended June 30, 2021 and 2020, totaled $1,928,700 and $1,989,278, respectively.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

The majority of the Center's funding is provided under annual grants and contracts with federal and California agencies. If a significant reduction in the level of funding provided by these governmental agencies were to occur, it may have an effect on the Center's programs and activities.

The Center's contract with DDS provides funding for services under the Lanterman Act. In the event that the operations of the Center result in a deficit position at the end of the contract year, DDS may reallocate surplus funds within the State of California system to supplement the Center's funding. Should a system-wide deficit occur, DDS is required to report to the Governor of California and the appropriate fiscal committee of the State Legislature and recommend actions to secure additional funds or reduce expenditures. DDS recommendations are subsequently reviewed by the Governor and the Legislature and a decision is made with regard to specific actions, including the possible suspension of the entitlement.

The Center's revenue, which is derived from restricted funding provided by government grants and contracts, is subject to audit by the governmental agencies. In accordance with the terms of the DDS contract, an audit may be performed by an authorized DDS representative. Should such an audit disclose any unallowable costs, the Center may be liable to the State of California for reimbursement of such costs. In the opinion of the Center's management, the effect of any disallowed costs would be immaterial to the financial statements as of June 30, 2021 and 2020, respectively.

COVID-19 Pandemic

The emergence and spread of the coronavirus (COVID-19) beginning in the first quarter of 2020 has affected businesses and economic activities in the U.S. and beyond. The extent of the impact of COVID-19 on the Center's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the effects on supply chains, service providers, and business partners, and changes in business practices, all of which are uncertain and cannot be determined at this time.

NOTE 14 – LEGAL MATTERS

The Center is involved in various claims and legal actions in the normal course of business. Based upon counsel and management's opinion, the resolution of such matters is either covered by insurance or will not have a material adverse effect on the financial position, result of operation or cash flows.

SUPPLEMENTARY INFORMATION

GOLDEN GATE REGIONAL CENTER, INC.

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF PURCHASES OF SERVICES EXPENSE

YEAR ENDED JUNE 30, 2021

Residential care facilities:	
Community care facility	$ 131,905,847
ICF/Skilled nursing facility	836,159
Total residential care facilities	$ 132,742,006
Day programs	$ 51,979,513
Other purchased services:	
Nonmedical:	
Programs	$ 51,421,254
Professional	7,050,092
Transportation	15,859,857
Respite	18,483,762
Prevention services	8,580,690
Medical care:	
Professional	6,001,635
Programs	731,378
Home and hospital care programs	841,049
Medical equipment	368,917
Camps	-
Personal and incidental	63,299
Other authorized services	81,305,793
Total other purchased services	$ 190,707,726

GOLDEN GATE REGIONAL CENTER, INC.

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	*Federal Assistance Listing Number*	*Agency or Pass-Through Number*	*Federal Expenditures*	*Expenditures to Subrecipients*
U.S. Department of Education:				
Special Education – Grants for Infants and Families				
Passed-through the State of California				
Department of Developmental Services				
Early Intervention Services	84.181	HD199006	$ 1,989,924	$ -
TOTAL FEDERAL AWARDS			$ 1,989,924	$ -

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant and loan activities of Golden Gate Regional Center, Inc. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The purpose of the Schedule is to present a summary of those activities of Golden Gate Regional Center, Inc. for the year ended June 30, 2021, which have been financed by the U.S. Government. For purposes of the Schedule, federal awards include all federal assistance entered into directly and indirectly between Golden Gate Regional Center, Inc. and the federal government. Golden Gate Regional Center, Inc. did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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.

GOLDEN GATE REGIONAL CENTER, INC.

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	____ Yes	X No
Identification of major programs:	*Name of Federal Program or Cluster*	
ALN 84.181	Special Education – Grants for Infants and Families	
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	X Yes	____ No

Section II – Financial Statement Findings

None noted.

Section III – Federal Awards Findings and Questioned Costs

None noted.

LINDQUIST
VON HUSEN
& JOYCE LLP

S. Scott Seamands
Alexis H. Wong
Charlotte Siew-Kun Tay
Cathy L. Hwang
Rita B. Dela Cruz
Stanley Woo
Scott K. Smith

Crisanto S. Francisco
Joe F. Huie

Board of Directors
Golden Gate Regional Center, Inc.
San Francisco, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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 Golden Gate Regional Center, Inc., 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 November 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Golden Gate Regional Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Golden Gate Regional Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Golden Gate Regional Center, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of 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.

BKR INTERNATIONAL
Certified Public Accountants, 301 Howard Street, Suite 850, San Francisco, California 94105
Telephone 415 957 9999 Facsimile 415 957 1629 http://www.lvhj.com
An Independent Member Firm of BKR International with Associates in Principal Cities Worldwide

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Lindquist, von Husen and Joyce LLP

November 16, 2021

LINDQUIST VON HUSEN & JOYCE LLP

S. Scott Seamands
Alexis H. Wong
Charlotte Siew-Kun Tay
Cathy L. Hwang
Rita B. Dela Cruz
Stanley Woo
Scott K. Smith

Crisanto S. Francisco
Joe F. Huie

Board of Directors
Golden Gate Regional Center, Inc.
San Francisco, California

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

Report on Compliance for Each Major Federal Program

We have audited Golden Gate Regional Center, Inc.'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 Golden Gate Regional Center, Inc.'s major federal programs for the year ended June 30, 2021. Golden Gate Regional Center, Inc.'s major federal programs are 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 the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Golden Gate Regional Center, Inc.'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 Golden Gate Regional Center, Inc.'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 on Golden Gate Regional Center, Inc.'s compliance.

BKR INTERNATIONAL Certified Public Accountants, 301 Howard Street, Suite 850, San Francisco, California 94105
Telephone 415 957 9999 Facsimile 415 957 1629 http://www.lvhj.com

Opinion on Each Major Federal Program

In our opinion, Golden Gate Regional Center, 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 Golden Gate Regional Center, Inc. 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 Golden Gate Regional Center, Inc.'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 Golden Gate Regional Center, Inc.'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 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.

Lindquist, von Husen and Joyce LLP

November 16, 2021