

**CALIFORNIA FOUNDATION FOR
INDEPENDENT LIVING CENTERS**

Audited Financial Statements

December 31, 2020 and 2019

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

AUDITED FINANCIAL STATEMENTS

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
California Foundation for Independent Living Centers
Sacramento, California

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of California Foundation for Independent Living Centers (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities 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.

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.

To the Board of Directors of
California Foundation for Independent Living Centers

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2020 and 2019, 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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 May 18, 2022, on our consideration of the Foundation'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 the Foundation'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 the Foundation's internal control over financial reporting and compliance

Richardson & Company, LLP

May 18, 2022

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 853,507	\$ 827,377
Restricted cash - Loan Guarantee Fund	95,512	831,288
Subtotal Cash	<u>949,019</u>	<u>1,658,665</u>
Grants and contracts receivable	2,739,316	1,474,905
Other receivables	21,771	
Prepaid expenses	1,370	783
Deposits	9,886	14,712
Total Current Assets	<u>3,721,362</u>	<u>3,149,065</u>
Loan receivable	27,079	38,328
Furniture and equipment, net		<u>28,372</u>
TOTAL ASSETS	<u>\$ 3,748,441</u>	<u>\$ 3,215,765</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 1,719,714	\$ 491,971
Accrued payroll	33,186	44,495
Accrued vacation	37,221	30,369
Line of credit		150,000
Deferred revenue and refundable advances	352,087	993,172
Deferred revenue-Loan Guarantee Fund	796,013	796,013
TOTAL LIABILITIES	<u>2,938,221</u>	<u>2,506,020</u>
NET ASSETS		
Without donor restrictions	795,854	668,769
With donor restrictions	14,366	40,976
TOTAL NET ASSETS	<u>810,220</u>	<u>709,745</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,748,441</u>	<u>\$ 3,215,765</u>

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

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Government grant and contract revenue	\$ 1,791,974		\$ 1,791,974
Foundation and corporate grants	5,668,469		5,668,469
Individual donations	1,787	\$ 611	2,398
Membership dues	102,500		102,500
Conferences and event fees	7,152		7,152
Other income	49,656		49,656
Donated materials and services	200		200
Net assets released from restriction	27,221	(27,221)	
TOTAL SUPPORT AND REVENUES	7,648,959	(26,610)	7,622,349
EXPENSES			
Program Services:			
DoNetwork	371,834		371,834
Ability Tools Assistive Technology	1,445,716		1,445,716
Disability Disaster Access and Resources	5,628,099		5,628,099
Youth Organizing	28,728		28,728
Membership	16,895		16,895
Total Program Services	7,491,272		7,491,272
Supporting Services:			
Management and general	30,602		30,602
Total Supporting Services	30,602	-	30,602
TOTAL EXPENSES	7,521,874	-	7,521,874
CHANGE IN NET ASSETS	127,085	(26,610)	100,475
Net assets at beginning of year	668,769	40,976	709,745
NET ASSETS AT END OF YEAR	\$ 795,854	\$ 14,366	\$ 810,220

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

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Government grant and contract revenue	\$ 2,686,756	\$ 25,000	\$ 2,711,756
Foundation and corporate grants	1,598,055	28,500	1,626,555
Individual donations	18,459	162	18,621
Membership dues	99,775		99,775
Conferences and event fees	52,192	8,595	60,787
Other income	32,801		32,801
Donated materials and services	2,720		2,720
Net assets released from restriction	39,273	(39,273)	-
TOTAL SUPPORT AND REVENUES	4,530,031	22,984	4,553,015
EXPENSES			
Program Services:			
DoNetwork	375,206		375,206
Ability Tools Assistive Technology	1,592,416		1,592,416
Disability Disaster Access and Resources	1,482,810		1,482,810
Voice Options	716,381		716,381
Youth Organizing	115,113		115,113
Membership	23,653		23,653
Total Program Services	4,305,579	-	4,305,579
Supporting Services:			
Management and general	67,648		67,648
Total Supporting Services	67,648	-	67,648
TOTAL EXPENSES	4,373,227	-	4,373,227
CHANGE IN NET ASSETS	156,804	22,984	179,788
Net assets at beginning of year	457,977	5,833	463,810
Restatement	53,988	12,159	66,147
Net assets at beginning of year, as restated	511,965	17,992	529,957
NET ASSETS AT END OF YEAR	\$ 668,769	\$ 40,976	\$ 709,745

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

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	Program Services					Total Program Services	Supporting Services	Total Supporting Services	Total Expenses
	DoNetwork	Ability Tools	Disability Disaster Access and Resources	Youth Organizing	Membership		Management and General		
Salaries and wages	\$ 178,243	\$ 326,975	\$ 197,119	\$ 3,232	\$ 604	\$ 706,173	\$ -	\$ -	\$ 706,173
Payroll taxes	16,462	35,891	20,830	347	354	73,884	-	-	73,884
Employee benefits	33,375	51,681	24,325	767	147	110,295	-	-	110,295
Rent and equipment lease	37,833	89,845	-	15,664	721	144,063	-	-	144,063
Travel	2,048	9,864	1,462	131	566	14,071	-	-	14,071
Insurance	3,843	7,114	-	-	(145)	10,812	-	-	10,812
Conference and conventions	13,366	6,021	2,322	1	258	21,968	-	-	21,968
Postage and printing	556	5,950	22,615	856	600	30,577	-	-	30,577
Depreciation	-	-	-	-	-	-	28,372	28,372	28,372
Donations and program funding	3,460	507,078	3,194,225	16	(237)	3,704,542	489	489	3,705,031
Demo and partner center contracts	-	245,031	1,909,765	-	-	2,154,796	-	-	2,154,796
Professional fees	5,197	37,243	16,588	6	673	59,707	-	-	59,707
Advertising	-	-	-	-	-	-	-	-	-
Supplies	571	4,991	100,184	33	354	106,133	-	-	106,133
Consultants/outside services	56,215	19,004	58,592	3,091	1,292	138,194	1,350	1,350	139,544
Repairs and maintenance	5,423	28,997	-	2,041	171	36,632	-	-	36,632
Accomodations	6,112	6,527	2,621	2,000	84	17,344	230	230	17,574
Telephone and internet	6,816	48,785	11,893	523	481	68,498	160	160	68,658
Staff development	349	545	-	-	-	894	-	-	894
Dues and subscriptions	1,950	7,678	-	-	592	10,220	-	-	10,220
Miscellaneous	-	-	-	-	10,001	10,001	-	-	10,001
Interest and bank charges	15	6,496	65,558	20	379	72,468	1	1	72,469
TOTAL EXPENSES	\$ 371,834	\$ 1,445,716	\$ 5,628,099	\$ 28,728	\$ 16,895	\$ 7,491,272	\$ 30,602	\$ 30,602	\$ 7,521,874

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

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

	Program Services						Total Program Services	Supporting Services	Total Supporting Services	Total Expenses
	DoNetwork	Ability Tools	Disability Disaster Access and Resources	Voice Options	Youth Organizing	Membership		Management and General		
Salaries and wages	\$ 210,896	\$ 466,157	\$ 71,891	\$ 189,216	\$ 6,952	\$ 310	\$ 945,422	\$ -	\$ -	\$ 945,422
Payroll taxes	16,616	37,685	5,332	13,070	1,517	406	74,626	-	-	74,626
Employee benefits	29,886	68,788	10,574	25,246	3,186	417	138,097	-	-	138,097
Rent and Equipment Lease	43,127	99,855	-	14,313	17,089	682	175,066	19,661	19,661	194,727
Travel	14,416	70,732	1,808	14,763	13,508	1,399	116,626	3,631	3,631	120,257
Insurance	3,843	7,615	-	323	-	-	11,781	-	-	11,781
Conference and conventions	12,782	39,488	413	288	7,661	5,979	66,611	9,905	9,905	76,516
Postage and printing	1,408	8,865	39,244	1,161	1,470	2,721	54,869	2,445	2,445	57,314
Depreciation	-	-	-	-	-	-	-	28,372	28,372	28,372
Donations and program funding	3,114	394,264	1,177,675	188,102	853	914	1,764,922	-	-	1,764,922
Demo and partner center contracts	-	259,707	104,559	197,904	-	-	562,170	-	-	562,170
Professional fees	3,568	21,856	14,400	16,221	577	758	57,380	-	-	57,380
Supplies	1,594	3,852	-	5,000	3,046	1,042	14,534	167	167	14,701
Consultants/outside services	10,660	23,007	-	44,212	50,001	2,603	130,483	2,457	2,457	132,940
Repairs and maintenance	7,394	20,901	-	1,047	1,788	397	31,527	-	-	31,527
Accomodations	5,351	6,567	-	3,115	4,146	373	19,552	729	729	20,281
Telephone and internet	9,187	34,337	3,073	2,400	2,642	1,209	52,848	3	3	52,851
Staff development	-	12,638	-	-	-	55	12,693	-	-	12,693
Dues and subscriptions	1,165	6,585	-	-	569	491	8,810	-	-	8,810
Interest and bank charges	199	9,517	53,841	-	108	3,897	67,562	278	278	67,840
TOTAL EXPENSES	\$ 375,206	\$ 1,592,416	\$ 1,482,810	\$ 716,381	\$ 115,113	\$ 23,653	\$ 4,305,579	\$ 67,648	\$ 67,648	\$ 4,373,227

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

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 100,475	\$ 179,788
Depreciation	28,372	28,372
Changes in operating assets and liabilities		
Grants and contracts receivable	(1,264,411)	(534,941)
Other receivable	(21,771)	
Prepaid expenses	(587)	6,705
Deposits	4,826	4,888
Loan receivable	11,249	(6,781)
Accounts payable	1,077,743	265,913
Accrued payroll	(11,309)	4,460
Accrued vacation	6,852	(8,484)
Deferred revenue	(641,085)	711,522
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(709,646)</u>	<u>651,442</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans disbursed		(15,000)
NET CASH USED BY FINANCING ACTIVITIES	<u>-</u>	<u>(15,000)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(709,646)	636,442
Cash and cash equivalents at beginning of year	<u>1,658,665</u>	<u>1,022,223</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 949,019</u></u>	<u><u>\$ 1,658,665</u></u>

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

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: California Foundation for Independent Living Centers (the Foundation) is a nonprofit organization which supports member California Independent Living Centers in advocating for systems change and in creating access and integration for people with disabilities in their community. The Foundation receives both government and non-government funding sources. The majority of funding comes from non-government sources.

Disability Organizing Network (DONetwork) – The DONetwork calls to action the California Disability Communities and allies, through community organizing, advocacy, education, leadership development and coalition building to effect systems change in local, state and national issues. The CFILC Disability Organizing Network is a statewide disability advocacy network of 28 Independent Living Centers and the communities they serve. In each center there is a full-time staff person devoted to increasing civic participation through community organizing, education and advocacy around issues that affect the Disability Communities.

Ability Tools – Assistive Technology Network – Ability Tools is dedicated to expanding the availability of tools, resources and technology that increases independence, improves personal productivity and enhances the quality of life of Californians with disabilities. We support Device Lending Libraries, Reuse Centers, Independent Living Centers throughout the state. We provide funding, training, and technical assistance to a network of over 1,600 organizations and individuals. We developed the FreedomTech Alternative Financing Program to provide low-interest loans to people with disabilities and their families who are seeking loan for Assistive Technologies and home or vehicle modifications.

Disability Disaster Access and Resources – Disability Disaster Access and Resources assists individuals with disabilities and older adults in disaster readiness and recovery. This program provides individuals with information and assistance, disaster readiness training, backup electricity support, personal preparedness planning assistance, public awareness, and Assistive Technology and Durable Medical Equipment reuse and loan closet referrals; before, during and after a disaster or electricity shut-off.

Voice Options – Voice Options is a pilot program that assists Californians with speech and language disabilities to try out select iPad communication applications. Voice Option also offers basic training assistance on available apps, device demonstrations, and both long- and short-term loans. This program ended in 2019.

Youth Organizing! Disabled and Proud – Youth Organizing (YO!) develops community organizing activities to build a power base among youth with disabilities so that we can effectively work for change. We engage youth to learn about our history, the disability rights movement, disability pride, organizing and advocacy. Youth with disabilities build community with each other, develop a sense of leadership, a positive disability identity and organize and mobilize each other on issues that affect our lives. We provide opportunities, resources, and information for young adults with disabilities. Disabled youth are able to volunteer with local independent living centers, work on advocacy issues and campaigns that are important to them and find mentors within the disability community. YO! works with teens and young adults with disabilities ages 16 to 28.

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Membership – California Foundation for Independent Living Centers (CFILC) started as a peer support mechanism for executive directors of the fledgling Independent Living Centers in California (ILC) in 1976. Originally the directors were the usual representatives who went to Sacramento to educate public policy makers on issues affecting persons with disabilities. Since 1978, CFILC members have been meeting to determine how best to provide critical services, and advocate for freedom, choice and equality. Building strong and sustainable Independent Living Centers is one way we have proven our strength. CFILC moderates a series of communication listservs for ILC Executives, Management and Staff so that they may access and share information and expertise quickly and throughout the state. ILCs regularly share resources, materials and "know how," which fosters collaboration and innovation. CFILC produces statewide meetings for members to develop our Public Policy Agenda and actions plan for systems and social change. Our meetings include presentations from funders, foundations, and government agencies and ILC Executives sharing expertise, best practices and resources.

Basis of Accounting and Financial Statement Presentation: The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entries. The Center reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Revenue Recognition: Revenue is derived primarily from grants, contracts, membership dues, contributions and event fees. A portion of revenues is derived from 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 expenditures have been incurred in compliance with specific contract or grant provisions. Contracts and grants deemed exchange transactions are recognized at the time expenses are incurred or the service is performed. Any excess of expenses incurred over cash received is recorded as grants receivable; any excess of cash received over expenses incurred is recorded as deferred grant revenue. Grant revenues considered revenues from contracts with customers are recognized for services transferred at a point in time and for services transferred over time, which totaled \$417,296 and \$729,711 for the years ended December 31, 2020 and 2019, respectively. Grants and contracts receivable at December 31, 2020 and 2019 totaling \$3,750 and \$637,802, respectively, represents receivables related to contracts with customers. Deferred revenue related to contracts with customers totaled \$62,413 at December 31, 2019. There were no deferred revenue related to contracts with customers at December 31, 2020.

Contributions are recognized when cash, other assets or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return are not recognized until the conditions on which they depend have been substantially met. Conditional contributions received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Unconditional contributions received are recorded with or without donor restrictions depending on the existence and/or nature of any donor 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 statement of activities as net assets released from restrictions. Contributions with donor restrictions are classified as net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized.

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 more than one year are recorded at fair value, which is measured as the present value of their future cash flows.

Net Assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Foundation considers all cash and time certificates of deposit to be cash equivalents.

Grants and Contracts Receivable/Other Receivable/Loans Receivable: The Foundation considers grants and contracts receivable and other receivable to be fully collectible; accordingly no allowance for doubtful accounts is required. Receivables are determined to be past due based on contractual terms. Substantially all receivables are due from governmental entities.

Furniture and Equipment: Furniture and equipment is stated at cost, or if donated, fair market value at the time of donation. Provision is made for depreciation by the straight-line method over the estimated useful life of the property (generally two to forty years). Expenditures for maintenance and repairs are charged to expense as incurred. Additions, major renewals and replacements that increase the property's useful life and exceed \$1,000 are capitalized.

Expense Allocation: Expenses of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Some categories of expense are attributable to more than one function and are allocated on a consistent basis. Depreciation for leasehold improvements and other assets, utilities and rent are allocated based on square footage and estimated function. Salaries, benefits and payroll tax allocation are based on a percentage associated with an employee function and imputed time.

Income Taxes: The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code but is subject to income taxes from activities unrelated to its tax-exempt purpose.

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Foundation’s federal returns for the years ended December 2019, 2018 and 2017 could be subject to examination by federal taxing authorities, generally for three years after they are filed. The Foundation’s state returns for the years ended December 31, 2019, 2018, 2017 and 2016 could be subject to examination by state taxing authorities, generally for four years after they are filed.

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

Recent Accounting Pronouncements: In February 2016, the FASB issued ASU 2016-02, Leases Topic 842. The new accounting standard requires lessees to recognize a lease liability measured on a discounted basis and a right-of-use asset for all leases with terms longer than 12 months. Application of this statement is effective for the year ending December 31, 2022. The Foundation is currently evaluating the impact this pronouncement will have on the financial statements.

In September 2020, the FASB issued ASU 2020-07, Topic 958, Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets. The new accounting standard increases transparency of the measurement of contributed nonfinancial assets as well as the amount of those contributions used in programs and activities. Application of this statement is effective for the year ended December 31, 2022. The Foundation is currently evaluating the impact this pronouncement will have on the financial statements.

In June 2018, the FASB issued ASU 2018-08, Topic 958, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The new accounting standard clarifies and improves the guidance for (1) evaluating whether transactions should be accounted for as contributions within the scope of Topic 958 or as exchange transactions subject to other guidance and (2) determining whether a contribution is conditional. The statement was effective for the year ending December 31, 2019. The implementation of this ASU for the year ended December 31, 2019 had no effect on the total net assets or change in net assets. This ASU was applied retrospectively to those contracts that were not completed at the date of initial application.

NOTE B – GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable as of December 31, 2020 and 2019 consist of the following:

	2020	2019
Anthem Blue Cross		\$ 40,043
DoR Contracts	\$ 1,114,417	834,507
CA Public Utilities Commission		580,259
DREDF	3,750	17,500
PG&E	1,603,553	
UCD Regents	17,596	2,596
	\$ 2,739,316	\$ 1,474,905

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE C – FIXED ASSETS

Fixed assets are recorded at cost and depreciated using the straight-line method over estimated useful lives. Depreciation expense for the year ended December 31, 2020 and 2019 was \$28,372 and \$28,372 respectively. Property and equipment as of December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 141,859	\$ 141,859
Accumulated depreciation	<u>(141,859)</u>	<u>(113,487)</u>
Net fixed assets	<u>\$ -</u>	<u>\$ 28,372</u>

NOTE D – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent donations or grants awarded to the Foundation for which expenditures have not been incurred or for which a donor stipulation has not been met. For the year ended December 31, 2020 and 2019, net assets with donor restrictions consisted of the following:

	<u>2020</u>	<u>2019</u>
Contributions for Disability Capital Action Day (DCAD)	\$ 14,366	\$ 40,976

Net assets were released from restrictions by incurring expenses satisfying the purpose as follows at December 31:

	<u>2020</u>	<u>2019</u>
Disability Capital Action Day (DCAD)	\$ 27,221	\$ 39,273

NOTE E – LOAN GUARANTEE FUND – AFP

The Foundation received an award of \$993,000 from U.S. Department of Education to establish and administer an Alternative Finance Program (AFP) for Assistive Technology (AT). Many individuals with disabilities do not have the private financial resources to purchase the Assistive Technology (AT) they need. The purpose of this program is to provide an alternative financing option and related financial services to enhance access to AT and assist individuals in achieving maximum independence and self-sufficiency.

Individuals of all income levels are eligible for loans; however, the program will focus on the needs of low to middle income persons with disabilities throughout the state who would not otherwise qualify for a traditional bank loan. Of the total award, \$59,672 and \$808,369 at December 31, 2020 and 2019, respectively, are held in deposit at Beneficial State Bank and are restricted for use to guarantee loans made through this program. At December 31, 2020 and 2019 the outstanding loans receivable to the Foundation for these loans amounted to \$27,079 and \$38,328, respectively. The amount of grant funds not yet loaned out are reported as deferred revenue and totals \$796,013 at both December 31, 2020 and 2019. Because the Foundation borrowed funds from the account restricted for loans, the restricted cash balances at December 31, 2020 is lower than the amount of deferred revenue.

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE F – LINE OF CREDIT

The Foundation obtained a \$150,000 revolving line of credit with a financial institution on February 12, 2019, which matured February 11, 2020. The interest rate at December 31, 2019 was 6.25%. As of December 31, 2019, there was \$150,000 outstanding amount under this line of credit. This line of credit was paid off in February 2020. No line of credit was available at December 31, 2020.

NOTE G – LEASES

The Foundation had an operating lease for office and parking spaces beginning on September 1, 2017, terminating on March 31, 2024, with two (2) five (5) year options to renew the lease. The Foundation also has a lease for a postage meter through December 2021. Rental expense during 2020 and 2021 amounted to \$141,966 and 141,442, respectively.

As of December 31, 2020, future minimum lease payments under the noncancellable operating leases are as follows:

Year Ending December 31	
2021	\$ 152,196
2022	155,278
2023	158,667
2024	<u>39,879</u>
Total	<u>\$ 506,020</u>

NOTE H – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 853,507	\$ 827,377
Cash restricted for loan guarantee fund - AFP	95,512	831,288
Receivables	<u>2,761,087</u>	<u>1,474,905</u>
Total financial assets	3,710,106	3,133,570
Less those unavailable for general expenditures due within one year:		
Unexpended AFP loan funds	796,013	796,013
Cash restricted by donor for specific uses	<u>14,366</u>	<u>40,976</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,899,727</u>	<u>\$ 2,296,581</u>

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE H – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

At December 31, 2020 and 2019 the Foundation has \$2,914,093 and \$3,133,570 respectively of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures including cash of \$889,347 and 850,296 respectively. Receivables are subject to implied time restrictions but are expected to be collected within one year.

The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$200,000. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE I – RETIREMENT PLANS

The Foundation sponsors a Section 401(k) retirement plan that covers all employees who are at least 18 years of age and have completed one month of service. Under the terms of the plan, employees can elect to contribute a portion of their salary up to the limits imposed by the Internal Revenue Code. The Foundation may make nonelective or matching contributions but is not required to do so. Such contributions would be subject to a six-year vesting schedule. No contributions were made by the Foundation during the years ended December 31, 2020 and 2019.

NOTE J – CONTINGENCIES

The Foundation receives grants for specific purposes that are subject to review and audit by the funding source. Such audits could result in the funding source's request for reimbursement for expenditures disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The extent of the impact of COVID-19 on the Council operation and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the grantors, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

NOTE K – RESTATEMENT

The Foundation discovered during 2019 that restricted unconditional contribution revenues were not properly recognized in the fiscal year the revenue was received. Additionally, loan receivable disbursements were improperly recorded as expenses. Corrections were made in the year ended December 31, 2019, which resulted in net assets without donor restriction at December 31, 2019 increasing by \$53,988 and net assets with donor restriction increasing by \$12,159.

COMPLIANCE REPORTS



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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

To the Board of Directors
California Foundation for Independent Living Centers
Sacramento, 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 the California Foundation for Independent Living Centers (the Foundation), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated May 18, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation'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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those

To the Board of Directors of
California Foundation for Independent Living Centers

provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as findings 2019/20-001, 2019/20-002 and 2019/20-003.

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 entity'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

May 18, 2022



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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
California Foundation for Independent Living Centers
Sacramento, California

Report on Compliance for Each Major Federal Program

We have audited California Foundation for Independent Living Center's (the Foundation) 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 Foundation's major federal programs for years ended December 31, 2020 and 2019. The Foundation'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 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 the Foundation'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 Foundation'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 the Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, the Foundation 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 years December 31, 2020 and 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019/20-001, 2019/20-002 and 2019/20-003. Our opinion on each major federal program is not modified with respect to these matters.

The Foundation's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Foundation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Foundation 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 the Foundation'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 the Foundation'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2019/20-001, 2019/20-002 and 2019/20-003, that we consider to be material weaknesses.

The Foundation's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Foundation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

To the Board of Directors of
California Foundation for Independent Living Centers

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.

Richardson & Company, LLP

May 18, 2022

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

DECEMBER 31, 2020

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|--|---------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Section 200.516(a)? | Yes |

4. Identification of major programs:

CFDA Number

93.464

Name of Federal Program

ACL Assistive Technology

- | | |
|---|-----------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$750,000 |
| 6. Auditee qualified as a low-risk auditee under 2 CFR, Section 200.516(a)? | No |

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended December 31, 2020

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

Finding 2019/20-001: Material Weakness – Schedule of Expenditures of Federal Awards (SEFA).

Federal Grantor: All Federal Programs

Compliance Requirement: Reporting

Condition: The expenses reported on the Schedule of Expenditures of Federal Awards (SEFA) were revised during the single audit.

Criteria: Internal controls should be in place that provide reasonable assurance that the SEFA is complete and accurate, prior to the start of the audit.

Cause: The SEFA was not fully reconciled and finalized until after the single audit began. Also, state grants were incorrectly included on the SEFA and an incorrect CFDA number was used.

Effect: The expenses included on the SEFA were revised during the audit, which could have resulted in the auditor not selecting the correct program for testing during the single audit and could have resulted in the single audit not satisfying the requirements of the Uniform Guidance.

Context: Grant revenue reported on the SEFA included contributions, other income or nonfederal grants as well as contracts. These issues were identified when comparing federal grant revenue on the SEFA to the general ledger and grant documents. There was also an error in a CFDA number and additional revenue needed to be recognized.

Recommendation: We recommend a grant tracking spreadsheet and additional review procedures be implemented, and reconciliation of the SEFA to the GL to ensure the expenses, CFDA numbers, grant numbers reported on the SEFA are complete and accurate when the single audit begins.

Response: One of the programs listed was part of a larger grant and the larger portion was Federal money but there was one part that wasn't and had incorrectly included in this section. That now has been corrected and no longer is being tracked under federal dollars. The Foundation has spreadsheets that are tracking both SEFA related grants and nonfederal grants to keep them separate.

Finding 2019/20-002: Material Weakness - Untimely Audit Submission in Accordance with OMB Uniform Guidance

Federal Grantor: All Federal Programs

Compliance Requirement: Reporting

Condition: The Foundation did not electronically submit their December 31, 2019 and 20 Single Audit reporting package (Single Audit Report, Data Collection Form, Status of Prior Year Findings, and a Corrective Action Plan) within the required time period.

Recommendation: We recommended that management strengthen the related internal controls over monitoring of its year-end reconciliation of its financial statements to ensure that the general ledger accounts reflect proper and complete activity consistent with their basis of accounting. We believe that

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended December 31, 2020

reviews, evaluations of transactions, and reconciliations of accounts should be performed on a regular basis during the year. This would expedite the year-end closing process and ensure compliance with the audit report submission requirements of OMB Uniform Guidance.

Response: The Foundation experienced technical problems with IT & Accounting software at the beginning of March 2020. Also, in March 16, 2020, the Foundation had to close the office to all staff due to COVID-19. These new challenges created a backlog in accounting along with staff shortage. We have since created new policies for remote and hybrid working environments for accounting. We have moved to a cloud-based accounting system which allows accounting staff to access remotely and has a good backup system. This has allowed us to keep up and close each month on a timely basis. The Foundation is set to have 2021 Audit done within the required timelines.

Finding 2019/20-003: Material Weakness – Record retention

Federal Grantor: All Federal Programs

Compliance Requirement: Record maintenance and retention

Condition: Records were not maintained to support that the grant requirements we met, and the Foundation's policies were followed.

Criteria: Procurement requirements of the grants require grant-qualified expenses to be reviewed by a knowledge person. Documentation of bid processes reasons for award or reasons for single source contract awards need to be maintained. Vendors disbarment status needs to be verified prior to purchase or contract, and documentation of this verification needs to be retained.

Cause: We noted review of invoices was not documented on many of the federal expenditures, to document review of invoices by a person knowledgeable to the grant and its allowable costs. This review should be documented to support the Foundation is in compliance with grant requirements. It was indicated to us that items were approved by the Finance Director but this review was not documented. All invoices should include documentation as to approval. Additionally, there was no documentation maintained for the approval from the state that the Foundation uses to verify a vendor has not been disbarred, which is a requirement of federal awards. Sometimes this approval was done via e-mail and others by phone per the Foundation, but no record of this approval was maintained. No documentation was maintained to support quotes or bids and the process for selecting a vendor. We also noted Employee Status Change forms did not contain a signature documenting approval by a supervisor. While the Foundation indicated these steps were done by past employees whose files are gone, no documentation could be provided for any of the samples selected or maintained in a grant file.

Effect: Compliance with grant requirements were un-auditable as documents were not maintained.

Recommendation: We recommend documents be maintained to support policies and procedures are followed. A copy of the e-mail or other support should be maintained in the grant and personnel files (physical or electronic) to support that the Foundation is in compliance with grant requirements and Foundation policies.

Response: Due to COVID-19 and going to a complete remote working environment in short notice without having prior remote policies in place, several accounting procedures needed to be updated to reflect remote work environment. We have now established new procedures for remote and hybrid work that ensures that CFILC has all required documentation in place and easily accessible by all

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended December 31, 2020

necessary remote staff. In addition, CFILC has moved all accounts payable processes to Bill.com. This ensures proper documentation and approvals to meet compliance and CFILC policies. Currently, we have established a written tracking system to verify all vendors for grant expenditures as required by federal procurement and disbarment. When approvals for vendors are completed by email, those emails are now saved in the vendor electronic folder.

Regarding employee status change forms, we have established a process of utilizing e-signatures to ensure proper approval and documentation. In addition CFILC is in process of utilizing outside payroll vendor for online employee onboarding and status change.

D. PRIOR YEAR FINDINGS

None

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

Federal Grantor/Pass-through Grantor, if applicable/ Program Title/Grant or Pass-through Number	Grant ID	Federal CFDA Number	Program or Award Amount	Expenditures
MAJOR FEDERAL AWARDS:				
<u>U.S. Department of Health and Human Services</u>				
Passed through State of California:				
Department of Rehabilitation, Independent Living State				
ACL Assistive Technology	30833-1	93.464	\$ 850,000	\$ 625,074
ACL Assistive Technology	30833-2	93.464	380,000	380,000
ACL Assistive Technology	30833-3	93.464	850,000	182,271
TOTAL MAJOR FEDERAL AWARDS			<u>2,080,000</u>	<u>1,187,345</u>
 NON-MAJOR FEDERAL AWARDS:				
<u>U.S. Department of Treasury</u>				
Community Development Financial Institutions Program	171TA022030	21.020	124,998	3,330
 <u>U.S. Department of Education</u>				
Freedom Tech Low-Interest Loan Program	H224D120009	84.224D	993,000	188
 <u>U.S. Department of Agriculture (USDA)</u>				
The Regents of the University of California	2018-41590-28720	10.500	52,000	15,000
TOTAL NON-MAJOR FEDERAL AWARDS			<u>1,169,998</u>	<u>18,518</u>
TOTAL FEDERAL AWARDS			<u>\$ 3,249,998</u>	<u>\$ 1,205,863</u>

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended 2019

Federal Grantor/Pass-through Grantor, if applicable/ Program Title/Grant or Pass-through Number	Grant ID	Federal CFDA Number	Program or Award Amount	Expenditures
MAJOR FEDERAL AWARDS:				
<u>U.S. Department of Health and Human Resources</u>				
Passed through State of California:				
Department of Rehabilitation, Independent Living State				
AT Carryforward Funds	30919	93.464	\$ 325,000	\$ 294,104
ACL Assistive Technology	30833	93.464	1,062,500	735,169
ACL Assistive Technology	30833	93.464	850,000	224,926
TOTAL MAJOR FEDERAL AWARDS			2,237,500	1,254,199
NON-MAJOR FEDERAL AWARDS:				
<u>U.S. Department of Treasury</u>				
Community Development Financial Institutions Program	171TA022030	21.020	124,998	18,140
<u>U.S. Department of Education</u>				
Assistive Technology Alternative Financing Program				
Freedom Tech Low-Interest Loan Program	H224D120009	84.224D	993,000	15,851
Passed through State of California:				
Department of Rehabilitation- Title VII B				
	30650-3	84.169A	375,000	278,291
<u>U.S. Department of Agriculture (USDA)</u>				
The Regents of the University of California	2018-41590-28720	10.500	52,000	15,596
TOTAL NON-MAJOR FEDERAL AWARDS			1,544,998	327,878
TOTAL FEDERAL AWARDS			\$ 3,782,498	\$ 1,582,077

CALIFORNIA FOUNDATION FOR INDEPENDENT LIVING CENTERS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2020 and 2019

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Foundation under programs of the federal government for the year ended December 31, 2020 and 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the Foundation's operations, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the Foundation.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenses reported on the Schedule are reported on the accrual basis of accounting. Such expenses are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenses are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST ALLOCATION PLAN

The Foundation has elected not to use the 10% de minimis indirect cost rate under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

There were no subrecipients of the Foundation's programs during the years ended December 31, 2020 and 2019.

NOTE E – PROGRAM COSTS/MATCHING CONTRIBUTIONS

The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the Foundation's portion, may be more than shown.

NOTE F – NONCASH AWARDS

No noncash awards existed in the current year.