

Serving People in Need, Inc.

Financial Statements

Year Ended December 31, 2020
(With Independent Auditor's Report Thereon)

SERVING PEOPLE IN NEED, INC.

Financial Statements

Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Serving People in Need, Inc.
Costa Mesa, California

Report on the Financial Statements

We have audited the accompanying financial statements of Serving People in Need, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Serving People in Need, Inc. as of December 31, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2021 on our consideration of Serving People in Need, 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 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 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 Serving People in Need, Inc.'s internal control over financial reporting and compliance.

Stephens, Reidinger + Beller LLP

Newport Beach, California
November 3, 2021

SERVING PEOPLE IN NEED, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

Current assets	
Cash and cash equivalents	\$ 723,835
Accounts receivable	<u>55,787</u>
Total current assets	779,622
Property and equipment, net of accumulated depreciation of \$57,330	6,014
Deposits	<u>13,306</u>
Total assets	<u><u>\$ 798,942</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accrued expenses	\$ 31,757
Note payable - current	<u>1,653</u>
Total current liabilities	33,410
Net assets	
Without donor restrictions	<u>765,532</u>
Total net assets	<u>765,532</u>
Total liabilities and net assets	<u><u>\$ 798,942</u></u>

See accompanying notes to the financial statements.

SERVING PEOPLE IN NEED, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	<u>Total</u>
Support and revenue	
Contributions	\$ 1,102,505
Governmental assistance	591,877
Donated materials	<u>7,695</u>
Subtotal support and revenue	1,702,077
Special events	
Special events revenue	276,537
Less direct expenses	<u>(35,124)</u>
Net support from special events	<u>241,413</u>
Total support and revenue	1,943,490
Program service expenses	
Guided assistance to permanent placement housing	1,304,205
Street services	<u>165,535</u>
Total program service expenses	1,469,740
Supporting service expenses	
Management and general	85,851
Fundraising	<u>114,942</u>
Total supporting service expenses	<u>200,793</u>
Total expenses	<u>1,670,533</u>
Increase in net assets	<u>272,957</u>
Net assets without donor restrictions at beginning of year	<u>492,575</u>
Net assets without donor restrictions at end of year	<u><u>\$ 765,532</u></u>

See accompanying notes to the financial statements.

SERVING PEOPLE IN NEED, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	Program Services			Supportive services			Total Expenses
	Guided Assistance to Permanent Placement Housing (GAPP)	Street Services	Subtotal	Management and General	Fund Raising	Subtotal	
Salaries, payroll taxes & employee benefits	\$ 425,628	\$ 107,889	\$ 533,517	\$ 54,044	\$ 58,950	\$ 112,994	\$ 646,511
Food	61,678	10,469	72,147	-	-	-	72,147
Client support services	171,917	333	172,250	-	-	-	172,250
Client housing	505,016	-	505,016	-	-	-	505,016
Rent	35,618	13,864	49,482	10,206	10,206	20,412	69,894
Professional services	66,067	20,688	86,755	15,477	15,727	31,204	117,959
Marketing & public relations	11,400	4,560	15,960	-	11,219	11,219	27,179
Meetings & promotions	-	-	-	-	1,080	1,080	1,080
Office expense	4,754	886	5,640	1,233	1,638	2,871	8,511
Insurance	3,663	1,465	5,128	1,099	1,099	2,198	7,326
Telephone	3,178	1,571	4,749	978	1,228	2,206	6,955
Utilities	2,475	990	3,465	743	742	1,485	4,950
Printing	942	8	950	6	2,103	2,109	3,059
Postage	1,263	11	1,274	8	1,693	1,701	2,975
Automobile	957	-	957	-	16	16	973
Dues & subscriptions	2,400	-	2,400	-	99	99	2,499
Bank & merchant charges	929	453	1,382	296	6,918	7,214	8,596
Repair & maintenance	3,244	1,118	4,362	838	1,101	1,939	6,301
Security	486	194	680	146	146	292	972
Equipment rent	1,428	571	1,999	429	429	858	2,857
Volunteer appreciation	-	-	-	-	200	200	200
Expenses before depreciation	1,303,043	165,070	1,468,113	85,503	114,594	200,097	1,668,210
Depreciation	1,162	465	1,627	348	348	696	2,323
Total expenses	\$ 1,304,205	\$ 165,535	\$ 1,469,740	\$ 85,851	\$ 114,942	\$ 200,793	\$ 1,670,533

See accompanying notes to the financial statements.

SERVING PEOPLE IN NEED, INC.

STATEMENT OF CASH FLOWS

December 31, 2020

Cash flows from operating activities	
Increase in net assets	\$ 272,957
Adjustments to reconcile change in net assets	
Depreciation expense	2,323
Net cash provided by operating activities	
(Increase) decrease in accounts receivable	(32,995)
(Increase) decrease in other assets	(6,750)
Increase (decrease) in accrued expenses	<u>11,065</u>
Total adjustments	<u>(26,357)</u>
Net cash provided by operating activities	246,600
Cash flows from investing activities	
Acquisition of equipment	<u>(570)</u>
Net cash used by investing activities	<u>(570)</u>
Cash flows from financing activities	
Proceeds from notes payables	<u>1,653</u>
Net cash provided by financing activities	<u>1,653</u>
Net increase in cash and cash equivalents	247,683
Cash and cash equivalents at beginning of year	<u>476,152</u>
Cash and cash equivalents at end of year	<u>\$ 723,835</u>

See accompanying notes to the financial statements.

SERVING PEOPLE IN NEED, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1: ORGANIZATION AND NATURE OF SERVICES

Serving People in Need, Inc. (SPIN) is a nonprofit corporation incorporated in 1989 under the California Nonprofit Benefit Law. SPIN restores Orange County families and individuals in crisis to permanent self-sufficiency through SPIN's long-term, proven case management and support services.

SPIN's program services are as follows:

Guided Assistance to Permanent Placement Housing Program (GAPP) – Assists low income and homeless families with children in crisis with move-in costs to housing and support services. The foundation of the program is its case management, which addresses the causative factors of the families' situation and provides support services (budget, credit clean-up, job training, etc.) to overcome those factors. GAPP's goal is to ensure families with children are stabilized and able to maintain their own housing and living expenses at program end.

Street Services Program – Distributes sack meals, blankets, warm clothing and hygiene kits to working poor and homeless individuals.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of SPIN have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or nonexistence of restrictions on use that are placed by its donors. The two classes of net assets are as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are resources available to support the Organization's operations. The only limits on the use of these net assets, if any, are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Support that is restricted by a donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

SERVING PEOPLE IN NEED, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

Net Assets With Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a specified purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature and the Organization must continue to use these resources in accordance with donor’s restrictions.

The Organization’s unspent contributions are included in this class if the donor has limited their use. When a donor’s restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. There were no net assets with donor restrictions as of December 31, 2020.

Classification of Transactions

All revenues are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resource for a specified purpose or for a future period. All expenses are reported as decreases in net assets without donor restrictions.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amount of assets, liabilities, revenues, and expenses, as well as contingent assets and liabilities. Actual results could differ from estimates used in the preparation of financial statements.

Cash, Cash Equivalents and Concentration of Credit Risk

For purposes of the Statement of Cash Flows, SPIN considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash equivalents consist of various demand deposits.

SPIN maintains its cash with commercial banks, which at times may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000. SPIN believes these funds are all maintained in high quality financial institutions which limits its risk. SPIN has not incurred losses related to carrying cash balances in excess of the FDIC insurance limits.

SERVING PEOPLE IN NEED, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Securities

Investments in marketable securities which are available for sale are carried in the financial statements at fair value. Realized and unrealized gains and losses are included in the Statement of Activities.

Allowance for Doubtful Accounts

SPIN uses the allowance method, if required, to determine uncollectible promises receivable. Based on management's analysis of specific promises made, no allowance has been established.

Property and Equipment

Property and equipment are carried at cost. SPIN follows the practice of capitalizing all material expenditures for furniture, equipment and leasehold improvements. Maintenance and repairs are charged to expense as incurred.

Donated property and equipment are recorded as support at the estimated fair value at the date of the donation. Such donations are reported as net assets without restrictions support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions support. Absent donor stipulations regarding how long these donated assets must be maintained, SPIN reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. SPIN reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is recorded on a straight-line basis over the estimated useful life of the related assets.

Deferred Revenue

Funds received in advance of program services or activities to be performed or delivered in future periods are recorded as deferred revenue in the accompanying Statement of Financial Position. Revenues relating to such advance payments are recognized as the required services or activities are performed. There were no deferred revenues as of December 31, 2020.

Income Taxes

SPIN is a tax-exempt organization ("other than a private foundation") under Section 501 (c)(3) of the Internal Revenue Code and is exempt from state franchise taxes under Section 23701 (d) of the California Revenue and Taxation Code.

SERVING PEOPLE IN NEED, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Organization accounts for contributions in accordance with Accounting Standards of Codification (“ASC”) Topic No. 958-605 *Not-for-Profit Entities – Revenue Recognition*. In accordance with ASC 958-605, contributions received as well as unconditional promises to give are recognized in the period received. Contributions with donor-imposed restrictions are reported as increases to net assets with donor restrictions.

Concentration of Revenues

SPIN received 37% of its support and revenue in 2020 from government grants.

Donated Materials and Services

Donated materials and other non-cash contributions are reflected in the accompanying statements at the estimated market value at date of receipt. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The volunteer services of SPIN do not meet these criteria and are not recognized in the financial statements.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or service are charged directly to that program or service. Costs common to multiple functions have been allocated among various functions benefited using a reasonable allocation method that is consistently applied as follows:

- Salaries, payroll taxes and employee benefits are allocated based on the time spent on each program or function.
- All other costs or expenses not directly allocated to programs or functions are allocated based on the time incurred by the Organization’s management and staff employees.

Management and general expenses include costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising expenses are expensed as incurred and are charged to the respective fundraising cost center. When the Organization incurs shared costs that are both fundraising and management and general, the costs are allocated based on the method described above.

SERVING PEOPLE IN NEED, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs for the year ended December 31, 2020 was \$27,179.

Subsequent Events

Management has evaluated subsequent events through November 3, 2021, the date when the financial statements were available for issue.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2020:

Furniture and equipment	\$ 48,571
Vehicles	10,000
Software	558
Leasehold improvements	<u>4,215</u>
Total	63,344
Less accumulated depreciation/amortization	<u>(57,330)</u>
	<u>\$ 6,014</u>

Depreciation expense for the year ended December 31, 2020 amounted to \$2,323.

NOTE 4: ACCRUED PAID TIME OFF

Accrued paid time off, included in accrued expenses, represents vacation and sick time earned by SPIN employees which has not yet been taken. The amount of accrued paid time off as of December 31, 2020 was \$31,757.

SERVING PEOPLE IN NEED, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2020

NOTE 5: LIQUIDITY AND AVAILABILITY

Financial assets without donor or other restrictions limiting their use within one year of December 31, 2020, which are available for general expenditures are as follows:

Financial assets:

Cash and cash equivalents	\$ 723,835
Accounts receivable	<u>55,787</u>
Amounts available for general expenditures within one year	<u>\$ 779,622</u>

Based on the table above, the Organization has \$779,622 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 6: GOVERNMENTAL ASSISTANCE

For the year ended December 31, 2020, revenue from governmental assistance consisted of the following:

U.S. Dept. of Housing and Urban Development – Continuum of Care Program	\$ 553,343
Community Development Block Grant – City of Costa Mesa	<u>38,534</u>
Total	<u>\$ 591,877</u>

NOTE 7: PAYCHECK PROTECTION PROGRAM CONTRIBUTION

On May 4, 2020, the Organization was granted a loan from Pacific Premier Bank for \$93,998, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted on March 27, 2020 in response to the coronavirus pandemic (see Note 11). Under the CARES Act, the PPP loan is intended to allow businesses to cover eligible expenses, including payroll, benefits, rents and utilities within a specified time period per the program requirements.

In August of 2021, the Small Business Administration paid \$92,345 of the PPP loan and the Organization has a remaining loan balance of \$1,653 as of December 31, 2020, which is included in current liabilities in the accompanying statement of financial position. The Organization has elected to account for the forgiven portion of the PPP loan in accordance with the guidance under FASB ASC 958-605 as a conditional contribution. The Organization initially recorded the full loan amount received as a refundable advance followed by a reduction in advance and recognition of revenue as the conditions of the loan were met.

SERVING PEOPLE IN NEED, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2020

NOTE 7: PAYCHECK PROTECTION PROGRAM CONTRIBUTION (continued)

As of December 31, 2020, the Organization has substantially met all the conditions of the PPP program and therefore recognized \$92,345 of the PPP loan in the accompanying statement of operations as contribution income.

NOTE 8: DONATED MATERIALS, ASSETS AND SERVICES

SPIN received client support materials (food, clothing, etc.) in the amount of \$7,695 during the year ended December 31, 2020. In addition to the donations received, which are included in the accompanying financial statements, SPIN also received the following volunteer services from a dedicated group of volunteers.

	<u>Hours</u>
Street Service	2,538
Guided Housing	5,547
Fundraising	298
General	<u>385</u>
	<u>8,768</u>

These volunteer hours were received and utilized by SPIN during 2020, but were not reflected in the accompanying financial statement, as they did not meet the recognition criteria as required by the Financial Accounting Standards Board.

NOTE 9: OPERATING LEASE

On April 5, 2006, SPIN entered into a five-year lease agreement for its office location. On July 1, 2010, the lease was extended for an additional three years and then again on July 1, 2013 for an additional 3 years. A third amendment to the lease was signed beginning July 1, 2016 for a five-year extension through June 30, 2021. On June 9, 2021, the lease was extended for an additional five-year term through June 30, 2026. Total rent expense for the year ended December 31, 2020 was \$69,894.

Future minimum lease payments are as follows:

<u>Fiscal Year Ending December 31,</u>	
2021	\$ 69,678
2022	72,548
2023	75,450
2024	78,468
2025	81,607
Thereafter	<u>41,603</u>
Total Future Minimum Lease Payments	<u>\$ 419,354</u>

SERVING PEOPLE IN NEED, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2020

NOTE 10: CONTINGENCIES

Financial assistance from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against SPIN for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date. However, no such liabilities have arisen in any prior years.

NOTE 11: RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States and worldwide. The coronavirus outbreak resulted in federal, state and local governments and private entities mandating various restrictions, including travel, in public gatherings, stay at home orders and quarantining of people who may have been exposed to the virus. In response to the pandemic and the various restrictions, the Organization has adjusted its operations to protect its employees and program participants from the virus while effectively providing services via virtual platforms when permitted. The Organization has received significant support from various federal and local agencies to assist with COVID-19 relief efforts and assistance for families with children that have been affected by the pandemic. As management continues to evaluate the impact that this global pandemic will have on future operations, management believes that the Organization can continue its operations, as the funding from federal and state programs has not been affected by the coronavirus pandemic.

SERVING PEOPLE IN NEED, INC.

**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**

For the Year Ended December 31, 2020

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
Serving People in Need, Inc.
Costa Mesa, CA

We have audited, 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, the financial statements of Serving People in Need, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Serving People in Need, Inc.’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Serving People in Need, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Serving People in Need, 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 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 those 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 we have not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Serving People in Need, 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.

Stephen, Reidinger + Beller LLP

Newport Beach, California
November 3, 2021