

Coalition of Homeless Services Providers

Financial Statements

June 30, 2021

Coalition of Homeless Services Providers

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Independent Auditors' Report

To the Board of Directors of
Coalition of Homeless Services Providers

Report on the Financial Statements

We have audited the accompanying financial statements of Coalition of Homeless Services Providers (the Organization), 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.

Auditors' 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 of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021, 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***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 14, as required by Title 2 U.S. *Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 February 28, 2022 on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

BAKER TILLY US, LLP



San Francisco, California
February 28, 2022

Coalition of Homeless Services Providers

Statement of Financial Position

June 30, 2021

Current Assets

Cash	\$ 4,228,746
Receivables:	
Grants	530,682
Membership fees	2,593
Other	51,597
Prepaid expenses and advances	<u>1,952</u>
Total current assets	4,815,570

Deposits

	<u>8,900</u>
Total assets	<u><u>\$ 4,824,470</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 989,786
Accrued vacation and payroll	35,676
Deferred revenue, current portion	<u>1,112,438</u>
Total current liabilities	2,137,900

Long-term liabilities

Deferred revenue, net of current portion	<u>2,059,139</u>
Total liabilities	4,197,039

Net Assets

Without donor restrictions	<u>627,431</u>
Total liabilities and net assets	<u><u>\$ 4,824,470</u></u>

See accompanying notes to financial statements.

Coalition of Homeless Services Providers

Statement of Activities

For the year ended June 30, 2021

	<u>Without Donor Restrictions</u>
Support and Revenue	
Government grants and contracts	\$ 13,456,408
Foundation grants	79,112
Other grants and contributions	59,736
Membership and license fees	25,160
Investment income - net	<u>173,492</u>
Total support and revenue	<u>13,793,908</u>
Expenses	
Program services	13,108,502
Support services:	
Management and general	305,363
Fundraising	<u>53,533</u>
Total expenses	<u>13,467,398</u>
Change in net assets	326,510
Net Assets, beginning of year	<u>300,921</u>
Net Assets, end of year	<u><u>\$ 627,431</u></u>

See accompanying notes to financial statements.

Coalition of Homeless Services Providers

Statement of Functional Expenses For the year ended June 30, 2021

	Program Services										Supporting Services		
	Continuum of Care Management	Community Action Partnership	CARES - Project Room Key	Continuum of Care	Emergency Solutions Grant - Project Room Key	Homeless Emergency Aid Program	Homeless Housing, Assistance and Prevention	Homeless Management Information System	Whole Person Care	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ -	\$ 74,902	\$ 43,257	\$ -	\$ 3,000	\$ 100,845	\$ -	\$ 41,816	\$ 24,689	\$ 288,509	\$ 137,068	\$ 30,552	\$ 456,129
Employee benefits	-	10,043	5,012	-	-	14,695	-	8,372	3,324	41,446	24,681	3,101	69,228
Payroll taxes	-	6,763	4,132	-	403	9,091	-	3,464	1,992	25,845	11,866	2,083	39,794
Homeless census activities	-	-	-	10,600	-	-	-	-	-	10,600	-	-	10,600
CFMC Decennial Census Project	30,214	-	-	-	-	-	-	-	-	30,214	-	-	30,214
Accounting and audit	-	54,857	1,313	-	-	25,151	-	-	-	81,321	72,300	8,830	162,451
HEAP Professional services	-	-	-	-	-	2,948	-	-	-	2,948	-	-	2,948
MC Gives	3,568	-	-	-	-	-	-	-	-	3,568	-	-	3,568
HHAP subrecipient contract	-	-	-	-	-	-	89,929	-	-	89,929	-	-	89,929
HEAP subrecipient contract	-	-	-	-	-	7,989,861	-	-	-	7,989,861	-	-	7,989,861
HEAP sanitation stations	22,147	-	-	-	-	126,742	-	-	-	148,889	-	-	148,889
COVID-19 relief	711	-	-	-	-	-	-	-	-	711	-	-	711
CFMC COVID relief	16,986	-	-	-	-	-	-	-	-	16,986	-	-	16,986
Homeless plan consultants	50,319	-	-	55,306	-	-	3,244	-	-	108,869	-	-	108,869
Cleaning services	-	849	584	-	-	977	-	-	-	2,410	1,560	-	3,970
Professional services	-	18,573	439,458	-	15,812	23,925	-	-	-	497,768	14,469	-	512,237
HMIS program	-	-	-	-	-	-	-	51,876	-	51,876	-	-	51,876
Technology	-	-	-	-	-	-	-	52,202	-	52,202	-	-	52,202
IT service contract	-	2,940	755	-	-	4,154	-	466	-	8,315	1,945	-	10,260
Advertising	-	95	-	-	-	-	-	-	-	95	1,358	776	2,229
Conferences, trainings and meetings	914	-	-	2,500	-	3,836	-	-	-	7,250	2,020	-	9,270
Dues, fees and subscriptions	181	355	5	-	-	237	-	21	-	799	1,708	-	2,507
Travel	10	225	5,664	-	-	136	-	88	-	6,123	263	-	6,386
Office supplies	-	1,442	60,453	-	6,312	2,794	-	1,319	-	72,320	4,843	113	77,276
Postage and mailing	-	65	42	-	-	7	-	-	-	114	67	-	181
Printing	-	124	2,761	-	-	789	-	30	-	3,704	160	13	3,877
Equipment	-	422	51,558	-	9,027	10,042	-	212	-	71,261	4,391	46	75,698
Meals	-	-	565,859	-	9,224	-	-	-	-	575,083	-	-	575,083
Security	-	-	851,878	-	-	-	-	-	-	851,878	-	-	851,878
Repairs and maintenance	-	-	118,818	-	513	-	-	-	-	119,331	-	-	119,331
Depreciation	-	-	-	-	-	-	-	-	-	-	-	5,515	5,515
Insurance	-	11,038	2,961	-	-	5,565	-	57	-	19,621	3,818	798	24,237
Rent	-	15,197	1,816,384	-	45,576	11,125	-	1,521	-	1,889,803	18,125	967	1,908,895
Housing support program	-	-	23,926	-	1,936	-	-	-	-	25,862	-	-	25,862
Telephone and internet	-	2,967	1,083	-	-	2,580	-	162	-	6,792	2,610	256	9,658
Utilities	-	1,513	561	-	-	1,432	-	115	-	3,621	2,111	483	6,215
Other	2,578	-	-	-	-	-	-	-	-	2,578	-	-	2,578
Total expenses	\$ 127,628	\$ 202,370	\$ 3,996,464	\$ 68,406	\$ 91,803	\$ 8,336,932	\$ 93,173	\$ 161,721	\$ 30,005	\$ 13,108,502	\$ 305,363	\$ 53,533	\$ 13,467,398

See accompanying notes to financial statements.

Coalition of Homeless Services Providers

Statement of Cash Flows

For the year ended June 30, 2021

Cash Flows From Operating Activities:

Change in net assets	\$ 326,510
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	5,515
Changes in operating assets and liabilities:	
Grants receivable	(263,999)
Membership fees receivable	(2,093)
Other receivable	(51,597)
Prepaid expenses and advances	24,086
Accounts payable	132,881
Accrued vacation and payroll	16,424
Deferred revenue	<u>(8,579,657)</u>
Net cash used in operating activities	<u>(8,391,930)</u>

Cash Flows From Investing Activities:

Proceeds from sale of investments	<u>610,000</u>
Net decrease in cash	(7,781,930)

Cash, Beginning	<u>12,010,676</u>
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Cash, Ending	<u><u>\$ 4,228,746</u></u>
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See accompanying notes to financial statements.

Coalition of Homeless Services Providers

Notes to Financial Statements

June 30, 2021

1. Introduction to Organization

Coalition of Homeless Services Providers (the Organization) is a public benefit corporation incorporated July 21, 1994 and is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code (IRC) and from franchise tax under Section 2301d of the California Revenue and Taxation Code. The Organization coordinates housing and support services to homeless individuals in Monterey and San Benito Counties.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as follows:

Net Assets without Donor Restrictions – The portion of net assets and activities which represent expendable funds that have no donor-imposed stipulations or restrictions.

Net Assets with Donor Restrictions – Those net assets that are 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 the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when specific stipulations are met.

At June 30, 2021, the Organization did not have any net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization did not have any cash equivalents at June 30, 2021.

Receivables

Unconditional promises to give are recognized as revenue in the period such promises are made by the donor. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give which are scheduled to be received after one year are discounted at rates commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. As of June 30, 2021, all grants and other receivables were scheduled to be received within one year.

The Organization uses the allowance method to account for uncollectible unconditional promises to give. The allowance is based on historical experience and management's analysis of specific balances.

Membership fees receivable include amounts due from members. Amounts are stated at the amount management expects to collect from balances outstanding at year end. The Organization provides for an allowance for doubtful accounts based on historical collectability and other factors known to management.

As of June 30, 2021, there was no allowance for uncollectible receivables, as all amounts were considered collectible.

Coalition of Homeless Services Providers

Notes to Financial Statements

June 30, 2021

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Property and Equipment

Property and equipment acquisitions in excess of \$5,000 are capitalized at cost, or, if donated, at the fair market value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets of five years. Maintenance, repairs and minor renewals are charged to expense as incurred. At June 30, 2021, property and equipment consisted of office equipment of \$12,425 and accumulated depreciation of \$12,425.

Contributions and Grants

Revenue recognition for contributions and grants is evaluated under Accounting Standards Codification ("ASC") 958-605, and transactions that are nonreciprocal are accounted for as contributions. In instances where commensurate value is received for consideration, such transactions are considered reciprocal and are treated as exchange transactions.

Contributions, including unconditional promises to give, are recognized at fair value when received as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with 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 consolidated statements of activities as net assets released from restrictions. Unconditional promises to give expected to be collected over periods in excess of one year are recorded at the present value of the estimated cash flows. Conditional promises are recognized when they become unconditional, that is, when all conditions on which they depend are substantially met.

Membership and License Fees

Membership and license fees revenues are recognized during the applicable membership period.

Coalition of Homeless Services Providers

Notes to Financial Statements

June 30, 2021

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- *Level 1* inputs to the valuation methodology include unadjusted quoted prices for identical assets or liabilities in active markets.
- *Level 2* inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- *Level 3* inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Functional Expenses

The costs of the Organization's various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Expenses are allocated to program and support services based upon employee time for each function, the purpose of each expense, and/or services provided for each function. Expenses related to more than one function are charged to programs and supporting services pro rata on the basis of how employees spend their time.

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code, Section 23701(d). Accordingly, the Organization has not provided for income taxes in these financial statements.

Each year, management considers whether the Organization has engaged in any activities that could affect the Organization's income tax status or result in taxable income. Management believes that any positions the Organization has taken are supported by substantial authority and would more likely than not be sustained upon examination by the applicable taxing authority. Accordingly, there are no potential liabilities to be recorded or disclosed in the financial statements.

Coalition of Homeless Services Providers

Notes to Financial Statements

June 30, 2021

Recently Issued Accounting Standards

During February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)." ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. FASB has issued subsequent standards that deferred the implementation date. Topic 842 (as amended) is effective for annual periods beginning after December 15, 2021. Early adoption is permitted. The Organization is currently assessing the effect that Topic 842 (as amended) will have on its financial statements.

During September 2020, the FASB issued ASU No. 2020-07, "Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets." ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. The Organization is currently assessing the effect that ASU No. 2020-07 will have on its financial statements.

3. New Accounting Pronouncement

The Organization implemented the new guidance of FASB ASC Topic 606, *Revenue from Contracts with Customers*, as of July 1, 2020. Topic 606 superseded the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

The Organization applied the new guidance utilizing the modified retrospective method of transition using the practical expedient to apply the guidance initially to contracts as of July 1, 2020, the date of initial application. The adoption of ASC 606 did not result in a material change to the accounting for any revenue streams, contract and other receivables, contract costs, contract liabilities, or deferred costs. No cumulative effect adjustment was required.

4. Liquidity and Availability of Financial Assets

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its programs as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, 2021, financial assets available to fund general operating expenses within one-year were as follows:

Financial Assets	
Cash	\$ 4,228,746
Receivables:	
Grants	530,682
Membership fees	2,593
Other	51,597
	<hr/>
Total	\$ 4,813,618

Coalition of Homeless Services Providers

Notes to Financial Statements

June 30, 2021

5. Deferred Revenue

The Organization receives cash up front for certain conditional grants. As of June 30, 2021, portions of certain grants had not been recognized as revenues, because the related conditions were not yet met. As of June 30, 2021, conditional grants included in deferred revenue were as follows:

Homeless Housing, Assistance & Prevention (HHAP)	\$	3,106,599
Other		64,978
		<u>\$ 3,171,577</u>

6. Lease Commitments

The Organization leases office space in Seaside, CA. The lease commenced on June 1, 2019 and ends on May 31, 2024. Monthly rent ranges from \$4,200 to \$4,590 throughout the term of the lease agreement.

Minimum future rent payments are as follows:

<u>Year ending June 30,</u>	
2022	\$ 52,530
2023	53,650
2024	<u>50,490</u>
	<u>\$ 156,670</u>

7. Concentrations

Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Such balances with any one institution may, at times, be in excess of federally insured amounts (currently \$250,000 per depositor).

The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Funding

The Organization is dependent on a concentration of government funding. A significant decrease in government funding could result in a corresponding significant decrease in operations.

The Organization's grants and contracts are subject to inspection and audit by the applicable governmental funding agencies. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits, cannot be reasonably estimated, and, accordingly, the Organization has not provided for any disallowance of program costs in its financial statements.

Coalition of Homeless Services Providers

Notes to Financial Statements
June 30, 2021

8. Subsequent Events

The Organization has evaluated subsequent events through February 28, 2022, the date which these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Coalition of Homeless Services Providers

Schedule of Expenditures of Federal Awards
For the year ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program	Assistance Number	Pass-through Identifying Number	Total Federal Expenditures
Pass-through Awards from:			
County of Monterey			
Coronavirus Relief Fund	21.019	N/A	<u>\$ 4,118,426</u>
Total Coronavirus Relief Fund pass-through program			<u>4,118,426</u>
Total Federal Expenditures			<u><u>\$ 4,118,426</u></u>

*See accompanying notes to the schedule of expenditures of federal awards.
See independent auditors' report.*

Coalition of Homeless Services Providers

Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2021

1. Basis of Presentation

The schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Assistance Listing Numbers and pass-through entity identification numbers are presented where available.

3. Indirect Cost Rate

The Organization did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With Government Auditing Standards**

To the Board of Directors of
Coalition of Homeless Services Providers

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 Coalition of Homeless Services Providers (the Organization), 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 February 28, 2022.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BAKER TILLY US, LLP



San Francisco, California
February 28, 2022

**Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control Over Compliance
Required by Uniform Guidance**

To the Board of Directors
Coalition of Homeless Service Providers

Report on Compliance for Each Major Federal Program

We have audited Coalition of Homeless Service Providers' (the "Organization") 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 Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 Organization'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 Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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 the Organization 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 Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BAKER TILLY US, LLP



San Francisco, California
February 28, 2022

Coalition of Homeless Services Providers

Schedule of Findings and Questioned Costs
For the year ended June 30, 2021

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes x no

Significant deficiencies 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 program:

Material weakness(es) identified?

_____ yes x no

Significant deficiencies identified that are not
considered to be material weakness(es)?

_____ yes x none reported

Type of auditors' report issued on compliance for major
program:

Unmodified

Any findings disclosed that are required to be reported
in accordance with 2 CFR section 200.516(a)

_____ yes x no

Major programs:

Assistance Listing Number(s)

21.019

Name of Federal Program or Cluster

Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes x no