



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Long Term Care Ombudsman
Program at Catholic Charities of
Santa Clara County Date: February 5, 2016

Address: 2625 Zanker Rd
Street Address *Suite Number*

San Jose CA 95134
City *State* *ZIP Code*

Phone: 408-325-5114 Email: gkepferle@catholiccharitiesscc.org

Executive Director: Greg Kepferle

Project Manager (PM): Wanda Hale, Program Manager

PM's Phone: 408-831-0420 x423 PM's Email: whale@catholiccharitiesscc.org

DUNS #: 119747590

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Catholic Charities of Santa Clara County serves and advocates for families and individuals in need, especially those living in poverty. Rooted in gospel values, we work to create a more just and compassionate community in which people of all cultures and beliefs can participate.

Agency's Mission:

The mission of the LTCOP is to seek resolution of problems and advocate for the rights of residents of long term care facilities with the goal of enhancing the quality of life and care for residents in these facilities. The LTC Ombudsman Program promotes the interest, well-being and rights of long term care facility residents. Ombudsmen regularly visit long term care facilities, monitor conditions and care, and provide a voice for those unable to speak for themselves.

Section B: Funding Request

Total funding requested for this project	\$ 5,000
Total cost of project	\$328,891
Other funds leverage for project i.e. Private Donations (estimation)	\$323,891
Other funds not secured by project	\$0
Are you getting County assistance, if so, please list	\$0

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

If the funding request from the City of Milpitas is not granted, the Program would only be able to respond to complaints telephoned to our local office or the 800 CRISISline in Sacramento. Regular visitation to long term care facilities would be terminated. Ombudsman positions would be reduced, impacting regular site visits, timely response to complaints and the volunteer component.

For fiscal year 2016-2017, the LTCOP is submitting funding requests to four (4) other cities and Santa Clara County "Urban County" for five (5) cities/towns who are part of the "Urban County" for CDBG funding. A renewal application will be submitted to Sourcewise for federal Older Americans Act funds. The Program anticipates renewal of multiple year contracts with two (2) other cities.

The Program continues to explore and apply for other private foundation grants that fund programs serving seniors in long term care facilities.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

- 2015-16 - \$5,000
- 2014-15 - \$5,000
- 2013-14 - \$5,000
- 2012-13 - \$5,000
- 2011-12 - \$5,000
- 2010-11 - \$5,000
- 2009-10 - \$5,000
- 2008-09 - \$5,000

Section C: Project Eligibility

Targeted Clientele: Seniors and disabled residents of long term care facilities in the City of Milpitas

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

The Long Term Care Ombudsman Program (LTCOP) is authorized by the federal Older Americans Act, as well as state's Older Californian Act to advocate for the rights of seniors and disabled residents in long term care facilities. The main function of the Ombudsman Program is to investigate and endeavor to resolve complaints made by or on behalf of residents related to issues of quality of care and abuse. The LTCOP promotes the interest, well-being and rights of long term care facility residents. Long Term Care (LTC) Ombudsmen protect and help improve the quality of care and life for the frailest of our senior and disabled population.

Living in a long term care facility is often not the first choice for anyone. Many seniors and disabled adults have little option but to live in a facility and for this reason it is very important that their rights are protected. Often, long term care residents lack the ability to exercise their rights or voice complaints about their circumstances. The presence of LTC Ombudsmen improves resident's quality of care and life by giving a voice to those seniors and providing an advocate for their needs and concerns.

CDBG Criteria: What criteria does your proposed project meet?

- (1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)
- (2) Limited Clientele (select from the options below):
 - (a) Special needs group
 - Abused children
 - Elderly persons 62 years or older
 - Battered persons
 - Severely disabled adults (not children) as defined by the Census
 - Illiterate adults
 - Persons living with HIV/AIDS
 - Migrant farm workers
 - Homeless persons
 - (b) At least 51% of clientele to be served will be documented as LMI
- (3) Housing (select from the options below):
 - Single Family (must be 100% LMI)
 - Multi-unit (must be 51% LMI)
- (4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	12,000	12,000	100
2. Cost Per Client Annually	--	--	\$50
3. How many are low- and very-low income?	Project clients are within HUD presumed benefit category.	Project clients are within HUD presumed benefit category.	Project clients are within HUD presumed benefit category.
4. Will the proposed assistance result in increase in clients? State projected number.	--	--	--
5. What is the total number of unduplicated clients/households to be served?	12,000	12,000	68

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Salaries

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Our clients are individuals with physical and/or mental illnesses and chronic conditions that do not allow them to live independently. Project clients are within HUD presumed benefit category. Unduplicated resident contacts, site visits and complaints are to be residents of the 1 skilled nursing facility and 7 residential care facilities in the City of Milpitas

Not all long term care residents served are able to provide the Ombudsman with financial information due to physical and/or mental disabilities.

Client information is currently collected on long term care residents in two ways:

1. Each July, the Program sends a survey to all licensed long term care facilities in the City requesting information on the gender, age, ethnicity and payment source for all residents.
2. When a complaint from one of the three facilities that are the focus of this grant is opened on behalf of an individual resident the intake form includes gender, age, ethnicity and payment source.

LTC Ombudsmen are accountable to the residents served; the effectiveness of the LTCP is measured by its responsiveness to the needs of the residents. The records are analyzed to measure our presence at facilities and availability to residents and concerned parties. The effectiveness of a LTC Ombudsman is largely dependent on their ability to make regular visits to facilities. On a monthly basis LTC Ombudsmen are required to submit a **Monthly Activity Summary Report** documenting number of facility visits, number of unduplicated resident contacts, and hours. LTC Ombudsmen submit **Case/Complaint Investigation Forms** for each complaint opened, investigated, and the disposition/resolution identified. The Program Manager oversees daily operations, including monitoring of facility coverage and complaint investigation. This documentation is reviewed and analyzed in relationship to measurable objectives. The Program Manager will review objectives and activity plan on a quarterly basis.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

The Ombudsman program makes regular visits to the long term care facilities in Milpitas to speak to the residents who live there. All facilities are required by law to have posters listing the services and phone number.

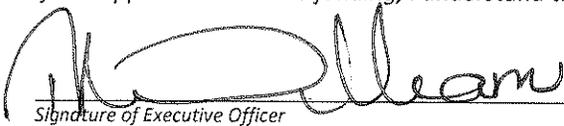
Section E: Disclaimer and Signature

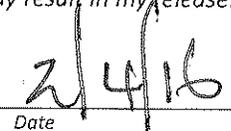
Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.


Signature of Executive Officer


Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: LTC Ombudsman Program, Catholic Charities of Santa Clara County

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	5,000	210,435	215,435	Federal Older Americans Act, State -- Governor's Initiative, Cities/Towns: Campbell, Cupertino, Mountain View, Palo Alto, Santa Clara, Sunnyvale, Urban County for Los Altos, Los Gatos, Morgan Hill, Saratoga, Catholic Charities Community Contributions, Foundations/Donations
Benefits	0	62,093	62,093	
Rent	0	2,394	2,394	
Telephone	0	1,600	1,600	
Postage	0	0	0	
Printing (including Ads)	0	1,400	1,400	
Supplies	0	2,153	2,153	
Travel	0	6,708	6,708	
Utilities	0	0	0	
Equipment & Maintenance	0	226	226	
Dues & Subscriptions	0	1,000	1,000	
Accounting Services	0	21,047	21,047	
Contract Services	0	0	0	
Insurance	0	377	377	
Conference	0	0	0	
Miscellaneous	0	14,458	14,458	
TOTAL	5,000	323,891	328,891	

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Long term Care Ombudsman Program

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
<ul style="list-style-type: none"> - LTC Ombudsman (Staff) - LTC Ombudsman (Volunteers) 	<ul style="list-style-type: none"> - 8% - 100% 	Personal contact with unduplicated residents	Contact with a minimum of 68 unduplicated residents per year
<ul style="list-style-type: none"> - LTC Ombudsman (Staff) - LTC Ombudsman (Volunteers) 	<ul style="list-style-type: none"> - 8% - 100% 	Regular facility site visits	Conduct a minimum of 48 facility site visits per year.
<ul style="list-style-type: none"> - LTC Ombudsman (Staff) - LTC Ombudsman (Volunteers) 	<ul style="list-style-type: none"> - 8% - 100% 	Identify, receive, investigate and resolve complaints	Investigate and resolve 6 complaints per year

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects

Program Year 2016-17
 Date Prepared: February 5, 2016

will be closely monitored during implementation according to this time schedule:

Revisions _____

Final Approval _____

Approved Revisions _____

Project Name: **LTC Ombudsman Program, Catholic Charities of Santa Clara County**

Project Coordinator: Wanda Hale

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Personal contact with unduplicated residents			50			6			6			6
Regular site visits			12			12			12			12
Identify, receive, investigate and resolve complaints			2			1			1			2

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Wanda Hale Title Program Manager

ADMINISTRATIVE OFFICES

2625 Zanker Road
San Jose, CA 95134-2107
Tel: 408.468.0100
Fax: 408.944.0275

RESOLUTION

RESOLVED, that any of the following officers and employees of the Corporation or a Director of the Corporation, to wit:

Margaret Williams
Chief Administrative and Finance Officer

BOARD OF DIRECTORS

President

Ronald Pelzel

Vice President

Paul F. Gentzkow

Secretary

Cathy Parker

Maribel R. Andonian

Frank G. Bisceglia

Thomas J. Crotty

Rasha Hasaneen

Marcos Herrera

Phillip A. Mahoney

Rev. Anthony Mancuso

Rev. Brendan McGuire

Joseph P. Melehan

Thanh Nguyen

Cora Tomalinas

Patrick Waite

Mark Waxman

Ex Officio

Gregory R. Kepferle

Most Reverend

Patrick J. McGrath

Robert Serventi

Be, and hereby is authorized to sign contracts on behalf of the Corporation, including, but not limited to CDBG contracts, grant applications that require the Chief Executive Officer's signature for submission, other contracts, leases and general business and financial matters (including Merrill Lynch, Pierce, Fenner and Smith, Inc, and Christian Brothers Investment Services, Inc.) reasonably necessary for conducting the usual affairs of the agency, and consistent with the approved annual business plan or budget, and that does not represent substantial change in strategic direction. No authority conferred shall conflict with any authority conferred by the By-Laws of this Corporation.

FURTHER RESOLVED, that any party to such contract to whom a copy of this resolution shall be delivered, may rely upon this resolution until such time as written notice of any change, amendment or cancellation thereof shall have been received by such party.

DATE:

8/30/07

APPROVED:

Cathy Parker
Cathy Parker, Secretary
Corporate Board of Catholic Charities

Main Office
2625 Zanker Road
San Jose, CA 95134-2107
Tel: 408.468.0100
Fax: 408.944.0275
Web: www.ccsj.org

Ref: Maraget Williams CAO 080707
8/24/2007



CATHOLIC CHARITIES OF SANTA CLARA COUNTY
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2015 AND 2014

AND REPORTS AND SCHEDULES
REQUIRED BY OMB CIRCULAR A-133
YEAR ENDED JUNE 30, 2015

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Contents

June 30, 2015 and 2014

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 31
SUPPLEMENTARY INFORMATION	
City of San Jose Contracts and Billings	33
REPORTS AND SCHEDULES REQUIRED BY OMB CIRCULAR A-133	
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 <i>Government Auditing Standards</i>	34 - 36
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required by OMB Circular A -133	37 - 38
Schedule of Expenditures of Federal Awards	39 - 41
Notes to Schedule of Expenditures of Federal Awards	42
Schedule of Findings and Questioned Costs	43 - 44
Schedule of Prior Audit Findings	45

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Catholic Charities of Santa Clara County
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of Catholic Charities of Santa Clara County, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 Catholic Charities of Santa Clara County as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Member of



North America

An association of legally
independent firms

Other Matters

Supplementary and Other information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying City of San Jose Contracts and Billings schedule as required by the City of San Jose, and the schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015, on our consideration of the Catholic Charities of Santa Clara County'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 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 Catholic Charities of Santa Clara County's internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "Abbott, Shingler & Lynch".

November 13, 2015

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

STATEMENTS OF FINANCIAL POSITION

<u>Assets</u>	June 30, 2015				June 30, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash and cash equivalents	\$ 825,354	\$ -	\$ -	\$ 825,354	\$ 432,041	\$ -	\$ -	\$ 432,041
Investments	4,790,604	2,491,231	-	7,281,835	2,459,832	2,506,471	-	4,966,303
Accounts receivable	4,655,772	-	-	4,655,772	4,900,346	-	-	4,900,346
Contributed support receivables (net of allowance for doubtful accounts of \$6,600 and \$9,499 as of June 30, 2015 and 2014, respectively)	301,392	567,926	-	869,318	37,869	837,198	-	875,067
Beneficial interest in charitable lead trust	-	647,203	-	647,203	-	728,891	-	728,891
Due (to) from other funds	(1,937,554)	1,898,467	39,087	-	(1,454,481)	1,465,394	(10,913)	-
Prepaid expenses and deposits	63,013	-	-	63,013	67,012	-	-	67,012
Other asset	-	-	130,453	130,453	-	-	117,700	117,700
Property and equipment, net	3,729,773	1,060,971	-	4,790,744	4,010,595	1,140,276	-	5,150,871
Investments - long term	-	-	6,800,083	6,800,083	-	-	6,671,005	6,671,005
Total assets	\$ 12,428,354	\$ 6,665,798	\$ 6,969,623	\$ 26,063,775	\$ 10,453,214	\$ 6,678,230	\$ 6,777,792	\$ 23,909,236
<u>Liabilities and Net Assets</u>								
Line of credit	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
Accounts payable	1,006,535	-	-	1,006,535	1,473,736	-	-	1,473,736
Accrued liabilities	1,230,713	-	-	1,230,713	1,134,038	-	-	1,134,038
Capital lease obligation	12,723	-	-	12,723	-	-	-	-
Deferred revenue	36,019	-	-	36,019	15,696	-	-	15,696
Annuity and life income obligations	31,417	-	-	31,417	34,112	-	-	34,112
Total liabilities	2,317,407	-	-	2,317,407	2,857,582	-	-	2,857,582
Net assets:								
Unrestricted:								
Undesignated	2,158,352	-	-	2,158,352	1,495,682	-	-	1,495,682
Board designated reserves	4,222,822	-	-	4,222,822	2,089,355	-	-	2,089,355
Net investment in property and equipment	3,729,773	-	-	3,729,773	4,010,595	-	-	4,010,595
Temporarily restricted	-	6,665,798	-	6,665,798	-	6,678,230	-	6,678,230
Permanently restricted	-	-	6,969,623	6,969,623	-	-	6,777,792	6,777,792
Total net assets	10,110,947	6,665,798	6,969,623	23,746,368	7,595,632	6,678,230	6,777,792	21,051,654
Total liabilities and net assets	\$ 12,428,354	\$ 6,665,798	\$ 6,969,623	\$ 26,063,775	\$ 10,453,214	\$ 6,678,230	\$ 6,777,792	\$ 23,909,236

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

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2015				Year Ended June 30, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenue:								
Public support:								
Contributions - individuals and businesses	\$ 4,941,031	\$ 1,199,405	\$ 79,750	\$ 6,220,186	\$ 2,032,846	\$ 1,607,453	\$ 19,485	\$ 3,659,784
Contributions - foundations and trusts	280,597	1,065,416	99,328	1,445,341	255,383	654,646	15,994	926,023
Contributions - in-kind	2,263,872	-	-	2,263,872	2,401,039	-	-	2,401,039
Contributions and net revenue from special events	417,894	137,891	-	555,785	400,239	117,365	-	517,604
Change in value from charitable lead trust	-	58,312	-	58,312	-	64,362	-	64,362
Fees and grants from government agencies	20,585,317	-	-	20,585,317	20,020,149	-	-	20,020,149
Allocations from United Way	58,251	-	-	58,251	54,433	-	-	54,433
Total public support	28,546,962	2,461,024	179,078	31,187,064	25,164,089	2,443,826	35,479	27,643,394
Revenue:								
Membership dues	14,050	-	-	14,050	22,075	-	-	22,075
Program service fees	2,284,212	-	-	2,284,212	2,175,175	-	-	2,175,175
Investment income, net	53,828	311,372	-	365,200	332,206	1,266,395	-	1,598,601
Rental income	197,332	-	-	197,332	222,621	-	-	222,621
Gain on asset disposition	4,352	-	-	4,352	2,400	-	-	2,400
Miscellaneous	2,261	-	12,753	15,014	4,122	-	12,074	16,196
Total revenue	2,556,035	311,372	12,753	2,880,160	2,758,599	1,266,395	12,074	4,037,068
Net assets released from restrictions	2,784,828	(2,784,828)	-	-	1,985,846	(1,985,846)	-	-
Total public support and revenue	33,887,825	(12,432)	191,831	34,067,224	29,908,534	1,724,375	47,553	31,680,462
Functional expenses:								
Program services:								
Older Adult Services	3,325,293	-	-	3,325,293	3,387,875	-	-	3,387,875
Behavioral Health Services	7,030,153	-	-	7,030,153	5,569,917	-	-	5,569,917
Housing Services	2,453,780	-	-	2,453,780	3,065,832	-	-	3,065,832
Economic Development Services	6,752,202	-	-	6,752,202	6,872,209	-	-	6,872,209
Child, Youth, and Family Development	6,090,581	-	-	6,090,581	6,207,549	-	-	6,207,549
Parishes and Partnerships	267,622	-	-	267,622	-	-	-	-
Step Up Silicon Valley	169,086	-	-	169,086	193,457	-	-	193,457
Total program services	26,088,717	-	-	26,088,717	25,296,839	-	-	25,296,839
Supporting services:								
Management and general	4,116,513	-	-	4,116,513	4,091,495	-	-	4,091,495
Fundraising	1,167,280	-	-	1,167,280	1,166,041	-	-	1,166,041
Total supporting services	5,283,793	-	-	5,283,793	5,257,536	-	-	5,257,536
Total functional expenses	31,372,510	-	-	31,372,510	30,554,375	-	-	30,554,375
Change in net assets	2,515,315	(12,432)	191,831	2,694,714	(645,841)	1,724,375	47,553	1,126,087
Net assets, beginning of year	7,595,632	6,678,230	6,777,792	21,051,654	8,241,473	4,953,855	6,730,239	19,925,567
Net assets, end of year	\$ 10,110,947	\$ 6,665,798	\$ 6,969,623	\$ 23,746,368	\$ 7,595,632	\$ 6,678,230	\$ 6,777,792	\$ 21,051,654

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

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2015

	Functional Expenses											
	Program Services							Supporting Services				
	Older Adult Services	Behavior Health Services	Housing Services	Economic Development Services	Children, Youth, and Family Development	Parish Partnerships	Step Up Silicon Valley	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 1,485,347	\$ 4,393,256	\$ 824,019	\$ 3,049,294	\$ 3,511,209	\$ 165,529	\$ 91,403	\$ 13,520,057	\$ 2,572,449	\$ 561,908	\$ 3,134,357	\$ 16,654,414
Employment benefits	278,035	838,914	162,227	673,418	552,555	30,979	5,154	2,541,282	383,510	140,442	523,952	3,065,234
Payroll taxes	137,595	398,515	74,500	277,653	333,551	14,669	7,975	1,244,458	143,021	48,926	191,947	1,436,405
Total salary and related expenses	1,900,977	5,630,685	1,060,746	4,000,365	4,397,315	211,177	104,532	17,305,797	3,098,980	751,276	3,850,256	21,156,053
Professional fees and contracts	121,723	341,206	89,089	572,076	154,265	14,637	47,557	1,340,553	227,040	108,255	335,295	1,675,848
Supplies	193,308	90,939	11,147	70,179	305,105	6,642	3,613	680,933	92,211	66,126	158,337	839,270
Distribution of in-kind food and property	758,433	-	453,214	-	917,133	-	-	2,128,780	-	17,415	17,415	2,146,195
Telephone	19,075	59,220	11,991	44,011	43,602	2,144	802	180,845	25,243	4,541	29,784	210,629
Postage and shipping	312	289	528	14,279	211	348	238	16,205	11,990	17,923	29,913	46,118
Occupancy	94,821	110,844	22,457	100,661	2,677	4,751	1,095	337,306	98,460	17,555	116,015	453,321
Travel and automobile	36,539	79,934	22,346	106,791	64,078	4,870	1,346	315,904	18,022	3,454	21,476	337,380
Conferences and meetings	3,607	15,399	548	52,540	28,164	1,723	3,642	105,623	108,447	32,845	141,292	246,915
Printing and artwork	3,184	3,903	449	2,436	7,881	1,823	1,476	21,152	29,342	56,302	85,644	106,796
Equipment	25,297	70,037	15,966	101,372	82,486	3,387	2,489	301,034	55,148	11,451	66,599	367,633
Subscriptions and publications	1,829	5,784	-	3,371	-	75	580	11,639	61,477	11,007	72,484	84,123
Financial assistance	-	283,379	682,617	1,440,906	1,118	30	-	2,408,050	10,100	-	10,100	2,418,150
Insurance	46,980	114,971	12,376	55,973	78,050	5,759	890	314,999	33,295	9,674	42,969	357,968
Interest	-	-	-	-	-	-	-	-	27,497	-	27,497	27,497
Advertising	16,729	2,125	450	47,044	1,200	325	75	67,948	48,591	22,838	71,429	139,377
Miscellaneous	566	105,554	54,164	87,095	43	6,605	4	254,031	75,890	22,292	98,182	352,213
Depreciation	101,913	115,884	15,692	53,103	7,253	3,326	747	297,918	94,780	14,326	109,106	407,024
Total expenses	\$ 3,325,293	\$ 7,030,153	\$ 2,453,780	\$ 6,752,202	\$ 6,090,581	\$ 267,622	\$ 169,086	\$ 26,088,717	\$ 4,116,513	\$ 1,167,280	\$ 5,283,793	\$ 31,372,510
Percentage of total expenses								83%	13%	4%	17%	

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

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2014

	Functional Expenses										
	Program Services						Supporting Services				Total
	Older Adult Services	Behavior Health Services	Housing Services	Economic Development Services	Children, Youth, and Family Development	Step Up Silicon Valley	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 1,487,503	\$ 3,597,396	\$ 957,247	\$ 3,111,193	\$ 3,654,704	\$ 108,049	\$ 12,916,092	\$ 2,167,253	\$ 610,932	\$ 2,778,185	\$ 15,694,277
Employment benefits	201,562	699,622	179,285	669,034	546,624	7,287	2,303,414	417,976	149,224	567,200	2,870,614
Payroll taxes	150,928	352,619	91,045	306,678	376,317	10,831	1,288,418	114,946	59,544	174,490	1,462,908
Total salary and related expenses	1,839,993	4,649,637	1,227,577	4,086,905	4,577,645	126,167	16,507,924	2,700,175	819,700	3,519,875	20,027,799
Professional fees and contracts	127,090	165,910	181,964	523,470	122,835	53,801	1,175,070	600,241	85,647	685,888	1,860,958
Supplies	185,514	81,259	11,020	61,082	225,266	1,759	565,900	69,917	36,277	106,194	672,094
Distribution of in-kind food and property	872,764	-	386,111	-	927,300	-	2,186,175	26,100	24,125	50,225	2,236,400
Telephone	16,299	47,025	13,373	50,778	45,696	1,395	174,566	27,353	4,324	31,677	206,243
Postage and shipping	793	578	1,974	10,748	432	-	14,525	13,677	15,245	28,922	43,447
Occupancy	93,817	102,494	14,931	128,396	59,101	1,764	400,503	113,574	14,286	127,860	528,363
Travel and automobile	36,457	63,201	26,027	107,563	62,997	1,015	297,260	21,889	4,264	26,153	323,413
Conferences and meetings	4,501	6,307	3,050	33,795	17,438	4,954	70,045	79,132	25,905	105,037	175,082
Printing and artwork	5,315	2,470	658	3,671	6,506	217	18,837	28,585	74,537	103,122	121,959
Equipment	34,551	70,492	11,959	91,200	55,489	204	263,895	74,553	8,518	83,071	346,966
Subscriptions and publications	1,195	11,482	809	4,365	121	-	17,972	54,454	12,676	67,130	85,102
Financial assistance	246	146,819	1,089,613	1,494,255	1,029	-	2,731,962	3,016	-	3,016	2,734,978
Insurance	50,245	96,640	13,144	61,697	67,936	827	290,489	20,328	6,434	26,762	317,251
Interest	-	-	-	-	-	-	-	80,173	-	80,173	80,173
Advertising	13,353	1,860	1,740	50,564	950	-	68,467	28,317	6,065	34,382	102,849
Miscellaneous	392	10,552	69,843	95,370	16,254	-	192,411	62,609	14,850	77,459	269,870
Depreciation	105,350	113,191	12,039	68,350	20,554	1,354	320,838	87,402	13,188	100,590	421,428
Total expenses	\$ 3,387,875	\$ 5,569,917	\$ 3,065,832	\$ 6,872,209	\$ 6,207,549	\$ 193,457	\$ 25,296,839	\$ 4,091,495	\$ 1,166,041	\$ 5,257,536	\$ 30,554,375
Percentage of total expenses							83%	13%	4%	17%	

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

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents

	Year Ended June 30,	
	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 2,694,714	\$ 1,126,087
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	407,024	421,428
Provision for uncollectible receivables	(2,899)	4,423
Change in discount of contributed support receivables	(76,139)	38,940
Donation of food and property	(2,128,780)	(2,186,175)
Distribution of donated goods	2,128,780	2,186,175
Non-cash contribution of marketable securities	(2,932,871)	(536,154)
Realized/unrealized gains on investments	(184,683)	(1,432,957)
Realized gain on disposal of property and equipment	(4,352)	(2,400)
Contributions restricted for endowment	(191,831)	(47,553)
Changes in operating assets and liabilities:		
Accounts and contributed receivables	329,361	1,649,473
Prepaid expenses, deposits, and other asset	72,934	248,157
Accounts payable and accrued liabilities	(370,526)	(344,039)
Deferred revenue, annuity, life income and retirement obligations	17,628	(211,024)
Net cash (used in) provided by operating activities	(241,640)	914,381
Cash flows from investing activities:		
Purchases of investments	(363,459)	(420,152)
Proceeds from sale of investments	1,036,403	947,844
Purchases of property and equipment	(30,502)	(49,561)
Proceeds from sale of property and equipment	4,352	2,400
Net cash provided by investing activities	646,794	480,531
Cash flows from financing activities:		
Outstanding checks in excess of bank balance	-	(282,181)
Bank overdraft	-	(28,243)
Repayments on line of credit, net of borrowings	(200,000)	(700,000)
Contributions restricted for endowment	191,831	47,553
Principal payments on capital lease obligations	(3,672)	-
Net cash used in financing activities	(11,841)	(962,871)
Net increase in cash and cash equivalents	393,313	432,041
Cash and cash equivalents at beginning of year	432,041	-
Cash and cash equivalents at end of year	\$ 825,354	\$ 432,041
Supplemental disclosure of cash flows information:		
Interest paid	\$ 27,497	\$ 80,173
Fixed assets purchased under capital lease obligation	\$ 16,395	\$ -
Non-cash investing and financing activities:		
Non-cash contribution of marketable securities	\$ 2,932,871	\$ 536,154

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

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 1 - Nature of operations

Catholic Charities of Santa Clara County (the "Organization"), a California nonprofit public benefit corporation, serves and advocates for families and individuals in need, especially those living in poverty. Rooted in gospel values, the Organization works to create a more just and compassionate community in which people of all cultures and beliefs can participate.

The Organization provides multiple education, community and economic development, mental health, and social services to diverse residents of Santa Clara County (the "County"), including children, youth, adults, seniors, families in need, refugees and immigrants, and other poor and vulnerable populations.

The Organization's primary sources of revenue and support are from contributions, government fees and grants, and program service fees. Major service areas for the fiscal year ended June 30, 2015 include: Older Adult Services, Behavioral Health Services, Housing Services, Economic Development Services, Children, Youth, and Family Development, Parishes and Partnerships, and Step Up Silicon Valley.

Older Adult Services

Older Adult Services assists seniors to maintain health and wellness through multiple programs.

Day Break Respite and Caregiver Support Services Program serves caregivers and their dependent elders. Services include a licensed adult day support program (recreation, health promotion and social activities), in-home respite care, caregiver support groups, caregiver education and escorted transportation.

Day Break Home Care is a social enterprise that trains and hires former clients as trusted caregivers to care for homebound elders and people with disabilities.

Long-Term Care Ombudsman Program advocates for frail, chronically ill residents in all nursing homes and residential care/assisted living facilities in Santa Clara County. This program responds to, investigates, and seeks fair resolution of complaints, including allegations of elder abuse and violations of residents' rights.

Senior Nutrition Program offers socialization and hot nutritious meals for seniors (age 60 and over) five days a week at Catholic Charities Eastside Neighborhood Center and John XXIII Multi-Service Center in San Jose.

Senior Programs at Neighborhood Centers offers educational classes, recreation and wellness activities for older adults in a culturally responsive environment. Services include English as a Second Language classes, citizenship information and referral, health screening and monitoring, wellness education, computer training, daily noon meals, weekly grocery bags, exercises such as tai chi, dances, health education, and cultural celebrations at John XXIII and Eastside Neighborhood Center.

Behavioral Health Services

Behavioral Health Services works to improve the wellbeing of our participants through mental health, primary care and case management services.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 1 - Nature of operations (continued)

Behavioral Health Services (continued)

Adult Mental Health - Full Service Partnership-Criminal Justice and integration of mentally ill parolee's services - combines outpatient mental health, case management, medication support, crisis intervention and recovery from both mental and chemical dependency disorders for individuals and for other persons on probation or parole, who have been ordered by the court for treatment.

CalWORKs Health Alliance - is a multicultural outpatient mental health and substance abuse program for CalWORKs participants that helps improve personal and family issues that may keep them from finding economic and emotional self-sufficiency.

Children and Family Services - offers outpatient services for children who are seriously emotionally disturbed and their families. Services include psychiatric evaluations, medical monitoring, therapy, and case management and family support, including supervised and home visits. Children ages 0-5 (First 5) are included in these services.

Older Adult Services - a Full Service Partnership-Older Adults and comprehensive mental health services for older adults (Golden Gateway) provide case management and mental health services, including medication support, to older adults who are experiencing chronic emotional problems. Golden Gateway also develops support groups and educates family members and community service providers about helping older adults with mental health conditions.

Inmate and Re-entry Supportive Services - Inmate Supportive Services (ISS) at the county's two adult correctional facilities respond to inmate requests for books, eye glasses, notary services, probation-required legal documents, requests for family contacts, family requests for information or items for the inmates, information from community/other legal services and resource information. Post-release services through a faith-based collaborative, Bridges of Hope, assists ex-offenders with re-integrating into society with jobs, housing, and counseling.

John XXIII Integrated Behavioral Health/Primary Care Clinic - provides a medical home by integrating primary health care, exams, screenings, health education, enrollments and referrals with mental health and social services for a diverse population of vulnerable clients.

Community Counseling - provides individual, couples, family and child counseling to parishioners and other county residents on a sliding fee scale.

Housing Services

Housing Services helps participants obtain and maintain safe, decent, affordable housing.

Supportive Housing Services at Charities Housing Development Corporation (CHDC) – provides service coordination, supportive services and referrals for residents of CHDC units.

Housing Case Management - provides mental health treatment, case management and rental/leasing assistance for disabled and chronically homeless individuals and homeless families and veterans in order to help them gain and retain permanent housing.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 1 - Nature of operations (continued)

Economic Development Services

Economic Development Services enables participants to move out of poverty and toward self-reliance.

Employment Services provides comprehensive pre-employment (including English as a second language, computer classes and retail vocational training); employment, job retention, and job upgrade services to immigrants, refugees, and low income individuals.

Focus for Work provides individual and group employment preparation services, job development services, and post-employment support for adults diagnosed with mental illness.

Right Directions provides individual and group employment preparation services, job development services, and post-employment support for adults re-entering from jail or prison.

Financial Education Services enables clients to acquire basic financial literacy and move toward establishing economic stability through effective money management and budgeting. It includes Individual Development Savings Accounts (IDA) and free financial education programs for low-income individuals and families.

TAX-EZ - Free Tax Preparation provides free and low cost tax preparation services to low-income individuals and families and businesses at various sites throughout Santa Clara County.

Immigration Legal Services are fully accredited by the federal Board of Immigration Appeals to provide professional legal consultations and a full range of immigration legal services for low-income people throughout Santa Clara County. Services include family visas, fiancé/e-visa, adjustment of status, employment authorization, re-entry permit and advance parole, political asylum, special immigrant juvenile, religious visa, family unity, Temporary Protected Status (TPS), Violence Against Women's Act (VAWA), Nicaraguan Adjustment and Central American Relief Act (NACARA), inadmissibility waivers, removal defense, representation, Freedom of Information Act requests, citizenship information and applications, photos and fingerprinting, DACA services and education, and legal services to Unaccompanied Immigrant Children.

South County Citizenship Services offers sliding scale citizenship services in Gilroy, Morgan Hill and San Martin, California. Citizenship services include application assistance, interview preparation, legal assistance or referral to legal assistance. Free South County Citizenship Days are held twice a year.

Refugee Foster Care trains and supports persons who want to become foster parents. The program matches unaccompanied refugee minors from overseas with foster families in Santa Clara County.

Refugee Resettlement offers sponsorship from refugee camps worldwide, family reunification, case management, cultural orientation, employment preparation, job placement, English as a Second Language (ESL), and computer training.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 1 - Nature of operations (continued)

Children, Youth and Family Development

Children, Youth and Family Development empowers participants to improve their education, health, and family relationships to strengthen their resiliency and prevent poverty.

CORAL (Communities Organizing Resources to Advance Learning) is an after-school program at over twenty San Jose public schools. CORAL focuses on improving student achievement through balanced literacy and enrichment activities.

First 5 Santa Clara County partners with the Organization and families to support the healthy development of their children ages 0-5 years. The program includes parenting workshops plus community engagement and education activities.

Successful Parents' Program, offered in Vietnamese and Spanish, helps parents develop a stronger, healthier relationship with their children. Workshops train parents to communicate effectively with their children and support their children's mental, emotional and physical growth.

WIC Peer Counseling Breastfeeding Program provide peer counseling and support to pregnant and early breastfeeding mothers using the Parent Education Model to improve breastfeeding rates in the Vietnamese and Latino Communities.

Intervention Services provides gang intervention services to at-risk youth. This program works with community partners to conduct ongoing prevention/intervention and truancy outreach to identify youth who exhibit high-risk behaviors including gang involvement, conflict/violence, school absence and drop out, substance abuse, and other negative behaviors.

Kinship Resource Center provides comprehensive services and support to grandparents and other relatives who are raising the family's children. Services include case management, health assessments, support groups, respite care, recreation, information and referral, education seminars and assistance with legal guardianship packets, as well as an Independent Living Program for youth moving out of kinship care.

New Beginnings provides opportunities for parents of children ages 0-3 to enjoy interactive early learning activities with their newborns/infants.

Probation Support Services provides intensive case management to youth on probation to prevent re-engagement with the criminal justice system.

Washington United Youth Center (WUYC) offers structured after school programming and a caring environment to youth and their families through recreation, group educational activities and cultural enrichment programs. Also available are information and referral services for families in crisis and living in poverty.

The Franklin-McKinley Children's Initiative is a place-based anti-poverty strategy focused on helping every child in the Santee neighborhood succeed from cradle to career through creating a strong and safe neighborhood, strengthening educational opportunities, and strengthening families through a community-based coalition.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 1 - Nature of operations (continued)

Parish Partnerships

Parish Partnerships convenes and trains parish leaders and volunteers to strengthen the network of parish-based services with the Organization's resources and with other parishes in order to alleviate, prevent, and reduce poverty.

Handicapables - provides peer support, spirituality and enrichment for adult disabled individuals.

Volunteer Services - recruits, on boards and connects volunteers with the Organization's multiple volunteer opportunities.

Step Up Silicon Valley

Step Up Silicon Valley convenes a network of community-based organizations, interfaith allies, government representatives, and business leaders to cut poverty in Santa Clara County through creating awareness, advocating for policy changes, and incubating system changing alternatives.

Note 2 - Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Financial statement presentation

Under GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - includes the Operating Fund, Board Designated Reserves and the Unrestricted Investment in Property and Equipment. These funds record the net assets over which the Board of Directors has discretionary control and which are used to carry out operations of the Organization in accordance with its bylaws.

Temporarily restricted net assets - includes resources currently available for use, but expendable only for those operating purposes specified by the donor or funding source. Resources of this fund originate from gifts, grants, and bequests.

Permanently restricted net assets - includes the endowment funds which consist of gifts and bequests accepted with the donor stipulation that the principal or fixed asset item be restricted in perpetuity. Income from these assets is recorded as temporarily restricted net assets unless otherwise restricted by donor stipulations or until appropriated for expenditure by the Organization.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 2 - Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant estimates used in preparing these financial statements include the allowance for doubtful accounts, present value discounts on contribution support receivables and charitable lead trust, the useful lives of property and equipment, the value of donated materials, property and equipment, and professional services, and the fair market value of assets and liabilities. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments and investments with an original maturity of three months or less. The Organization maintains its cash in bank deposit accounts which, at times, may exceed amounts insured by the Federal Deposit Insurance Corporation. As of June 30, 2015, the Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Accounts receivable

Accounts receivable arise principally from charges to funding sources for current expenses. The Organization records an allowance for doubtful accounts based on specifically identified amounts that it believes are uncertain and records additional allowances based upon certain percentages of aged receivables, which are determined based on historical experience and consideration of the general financial conditions that may affect payment. As of June 30, 2015 and 2014, the Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recognized. If amounts become uncollectable, they will be written off when that determination is made.

Contributed support receivable and allowance for doubtful accounts

Contributions are recognized as receivables in the Statements of Financial Position when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization only records pledge receivables when the total amount of the pledge is \$10,000 or more. Contributions less than \$10,000 are recognized as revenue when the contribution is received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization records an allowance for doubtful contributed support receivables based on specifically identified amounts that it believes are uncertain as to collectability. The Organization also records additional allowances based upon certain percentages of aged receivables, which are determined based on historical experience and the Organization's assessment of the general financial conditions that may affect payment. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. All collections of previously written off contributions are recognized in the Statements of Activities in the period of collection and shown as bad debt recoveries.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 2 - Summary of significant accounting policies (continued)

Property and equipment

Property and equipment purchases are recorded at cost whether acquired with donated funds or operating funds. It is the Organization's policy to capitalize acquisitions in excess of \$2,000. Donated property and equipment are recorded at their estimated fair value at the time of the donation. Depreciation of property and equipment is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives on the straight-line method. Leasehold improvements are amortized over the term of the respective leases (including anticipated renewal options, where appropriate) or the estimated service lives of the assets, whichever is shorter. Long-lived assets acquired with gifts of cash restricted for those acquisitions are reported as unrestricted based on the Organization's policy of lifting restrictions on contributions of cash used for the acquisition of long-lived assets.

The estimated useful lives of the related assets are as follows:

Computer, software and office equipment	3 years
Furniture and fixtures	5 - 10 years
Buildings and improvements	10 - 40 years
Leasehold improvements	Lesser of 7 years or the life of the lease

Impairment of long-lived assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair value. To date, the Organization has not recorded any impairment of its long-lived assets as a result of this analysis.

Grant and program fee revenue

Grant revenue is recognized when earned, generally in proportion to the expenses incurred. Program fees are recognized as revenue in the period in which the service is provided.

In-kind support and services

The Organization records various types of in-kind support including professional services, donated goods, and tangible assets. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods and contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses, or in the case of long-term benefits, over the period benefited.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 2 - Summary of significant accounting policies (continued)

Functional allocation of expenses

The costs of providing the various program services have been summarized on a functional basis in the accompanying Statements of Activities. Accordingly, expenses that are associated with more than one program or supporting service have been allocated, principally on an indirect cost basis, using personnel time studies, among the various programs and supporting services.

Tax exempt status

The Organization has been granted tax-exempt status by the Internal Revenue Service (Section 501(c)(3)) and the California Franchise Tax Board (Section 23701d). The Organization is registered with the Registry of Charitable Trusts of the Office of the Attorney General of the State of California. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization is subject to a tax on income from any unrelated business.

The Organization has adopted the accounting standard related to uncertainties in income taxes. The Organization evaluates uncertain tax positions through its review of the source of revenue to identify unrelated business income and certain other matters, including those which may affect its tax exempt status. Management believes their estimates related to income tax uncertainties are appropriate based on the current facts and circumstances.

The Organization's federal Return of Organization Exempt from Income Tax (Form 990) for years ended June 30, 2012 through 2015 are subject to examination by the IRS, generally for three years after they are filed. The Organization's state returns (Form 199) for the years ended June 30, 2011 through 2015 could be subject to examination by state taxing authorities, generally for four years after they are filed.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statements of Financial Position. Donated securities are recorded at market value on the date received or at nominal value when the market value is not readily available. Realized and unrealized gains and losses are reflected as increases or decreases in unrestricted net assets unless their use has been temporarily restricted by donors.

Fair value measurements

The Organization measures and discloses fair value measurements as required by the Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification.

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, the FASB establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 2 - Summary of significant accounting policies (continued)

Fair value measurements (continued)

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Include other observable inputs, not included in Level 1, that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Advertising

The Organization's policy is to expense advertising costs as they are incurred. Advertising expense for the years ended June 30, 2015 and 2014 totaled \$139,377 and \$102,849, respectively.

Subsequent events

In preparing its financial statements, the Organization has evaluated subsequent events through November 13, 2015, which is the date the financial statements were available to be issued.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 3 - Fair value measurements

Fair values for Level 1 investments are determined by reference to quoted market prices. Fair value of Level 2 investments are determined by reference to quoted market transactions in a less active market for assets similar to those held to support the underlying assets. Fair value for the beneficial interest in the charitable lead trust is determined by calculating the present value of the cash flow stream using a discount rate of 8%, which reflects the Organization's best estimate of the inherent risk related to the performance of the trust. There have been no changes in valuation techniques and related inputs.

Following are the major categories of assets measured at fair value on a recurring basis at June 30, 2015:

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets For Identifiable Assets (Level 1)</u>	<u>Significant Other Observable (Level 2)</u>	<u>Significant Unobservable (Level 3)</u>
Investments:				
Mutual funds:				
Religious Communities Trust:				
Catholic United Investment Trust (CUIT):				
Intermediated Diversified Bond Fund	\$ 4,201,836	\$ -	\$ 4,201,836	\$ -
International Equity Fund	2,097,553	-	2,097,553	-
CORE Equity Index Fund	5,056,930	-	5,056,930	-
Small Cap Equity Index Fund	1,258,531	-	1,258,531	-
Intermediate Bond Fund	1,400,463	-	1,400,463	-
American Funds:				
American Balanced Fund	<u>66,605</u>	<u>-</u>	<u>66,605</u>	<u>-</u>
Total investments	<u>14,081,918</u>	<u>-</u>	<u>14,081,918</u>	<u>-</u>
Beneficial interest in charitable lead trust	<u>647,203</u>	<u>-</u>	<u>-</u>	<u>647,203</u>
	<u>\$14,729,121</u>	<u>\$ -</u>	<u>\$14,081,918</u>	<u>\$ 647,203</u>

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 3 - Fair value measurements (continued)

Following are the major categories of assets measured at fair value on a recurring basis at June 30, 2014:

	Fair Value	Quoted Prices In Active Markets For Identifiable Assets (Level 1)	Significant Other Observable (Level 2)	Significant Unobservable (Level 3)
Investments:				
Mutual funds:				
Religious Communities Trust:				
Catholic United Investment Trust (CUIT):				
Intermediated Diversified Bond Fund	\$ 3,386,861	\$ -	\$ 3,386,861	\$ -
International Equity Fund	1,738,690	-	1,738,690	-
CORE Equity Index Fund	4,266,343	-	4,266,363	-
Small Cap Equity Index Fund	1,058,420	-	1,058,420	-
Intermediate Bond Fund	1,117,924	-	1,117,924	-
American Funds:				
American Balanced Fund	69,070	-	69,070	-
Total investments	<u>11,637,308</u>	<u>-</u>	<u>11,637,308</u>	<u>-</u>
Beneficial interest in charitable lead trust	<u>728,891</u>	<u>-</u>	<u>-</u>	<u>728,891</u>
	<u>\$12,366,199</u>	<u>\$ -</u>	<u>\$11,637,308</u>	<u>\$ 728,891</u>

There were no transfers of investments in or out of the Level 2 or Level 3 classifications during the years ended June 30, 2015 and 2014.

The following table summarizes the Organization's Level 3 reconciliation as of June 30, 2015 and 2014:

	June 30,	
	2015	2014
Balance at beginning of year	\$ 728,891	\$ 804,529
Distributions	(140,000)	(140,000)
Change in valuation of beneficial interest in charitable lead trust	<u>58,312</u>	<u>64,362</u>
Balance at end of year	<u>\$ 647,203</u>	<u>\$ 728,891</u>

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 4 - Investments

Investments consisted of the following as of June 30, 2015 and 2014:

	June 30,	
	2015	2014
Mutual funds:		
Religious Communities Trust:		
Catholic United Investment Trust (CUIT):		
Intermediated Diversified Bond Fund	\$ 4,201,836	\$ 3,386,861
International Equity Fund	2,097,553	1,738,690
CORE Equity Index Fund	5,056,930	4,266,343
Small Cap Equity Index Fund	1,258,531	1,058,420
Intermediated Bond Fund	1,400,463	1,117,924
American Funds:		
American Balanced Fund	66,605	69,070
	<u>\$ 14,081,918</u>	<u>\$ 11,637,308</u>

Investment income totaled \$365,200 and \$1,598,601 for the years ended June 30, 2015 and 2014, respectively, which included interest and dividends of \$180,520 and \$165,644, and net realized/unrealized gains of \$184,680 and \$1,432,957 respectively.

Risks and Uncertainties - The Organization holds investments in various mutual funds outlined above. These securities are exposed to various risks such as interest rate and market risks. Due to the level of risk associated with these securities and the level of uncertainty related to changes in value, it is at least reasonably possible that changes in the risk factors will occur in the near term that could materially affect the value of the investments reported in the accompanying financial statements.

Note 5 - Contributed support receivables and charitable lead trust

Contributed support receivables and charitable lead trust consisted of the following as of June 30, 2015 and 2014:

	June 30,	
	2015	2014
Charitable lead trust	\$ 647,203	\$ 728,891
Promises to give (pledges)	875,918	884,566
Total contributed support	1,523,121	1,613,457
Less: allowance for doubtful accounts	(6,600)	(9,499)
Net contributed support receivables and charitable lead trust	<u>\$ 1,516,521</u>	<u>\$ 1,603,958</u>

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 5 - Contributed support receivables and charitable lead trust (continued)

Contributed support receivables and charitable lead trust interest which will be received more than one year from the date of the pledge are recorded after discounting the future cash flows to the present value using a discount rate of 8%, established in the year of contribution. Maturities of these receivables are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 756,392
2017	315,000
2018	250,000
2019	200,000
2020 and thereafter	<u>280,000</u>
	1,801,392
Less discount for present value	<u>(278,271)</u>
Net contributed support receivables and charitable lead trust interest	<u>\$ 1,523,121</u>

The Organization is named as a beneficiary in a charitable lead unitrust where a third party serves as trustee. Under the terms of the trust, the Organization is to receive \$140,000 annually through 2021.

The Organization is the beneficiary of a charitable remainder unitrust and is the trustee of the trust. This trust provides for the payment of distributions to the donor over the donor's lifetime. At the end of the trust's term, the remaining assets are available for the Organization's use. Assets held in the trust are recorded at fair value and are included with investments on the Organization's Statements of Financial Position. The present value of estimated future payments to the income beneficiary, which is based on a discount rate of 3% and applicable mortality tables, is recognized as a liability. The liability at June 30, 2015 and 2014 was \$31,417 and \$34,112, respectively.

The Organization has also been named as a beneficiary in various revocable trusts. The assets of these trusts are not included in the Statements of Financial Position of the Organization since these trusts are revocable at the discretion of the grantor.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 6 - Property and equipment

Property and equipment consist of the following at June 30, 2015 and 2014:

	June 30,	
	2015	2014
Equipment	\$ 620,559	\$ 620,559
Automobiles	187,517	177,382
Software	112,110	112,110
Computer equipment	277,643	261,247
Buildings and improvements:		
Zanker Road, San Jose (1)	5,502,289	5,499,619
Alum Rock Ave, San Jose (1, 2)	1,723,351	1,723,351
Leasehold improvements	2,837,721	2,837,721
Land improvements	240,262	240,262
	11,501,452	11,472,251
Less accumulated depreciation and amortization	(7,864,465)	(7,475,137)
	3,636,987	3,997,114
Land:		
Zanker Road, San Jose	888,225	888,225
Alum Rock Ave, San Jose (2)	265,532	265,532
	1,153,757	1,153,757
	\$ 4,790,744	\$ 5,150,871

- (1) There was no construction in progress at June 30, 2015. Construction in progress included in Equipment and Software at June 30, 2014 was \$11,790 and \$19,995, respectively.

- (2) On November 21, 1983, a site (on Alum Rock Ave in San Jose) was donated to the Organization, on which it constructed the Eastside Neighborhood Center. The land was conveyed upon the condition that the property is used solely for the operation of a senior citizen center for a forty-year period. If this condition is not met, title to the land, buildings and improvements on the premises will pass to the Department of Housing and Urban Development. In addition, the Organization must pay the City of San Jose \$368,000 if the property is sold or used for other activities. It is management's intention to use the property for its intended purpose for the entire forty-year period and therefore no accrual has been recorded on the accompanying Statements of Financial Position. The net book value of this property is recorded as a temporarily restricted net asset in the accompanying financial statements.

During the years ended June 30, 2015 and 2014, the Organization operated at five (5) sites that it did not lease or own. These spaces were provided by governmental agencies or other groups to enable the Organization to provide program services at the locations.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 7 - Line of credit

The Organization has available a line of credit which is secured by a first deed of trust security agreement. Annual interest is charged at the Bank's Prime Reference Rate (3.25% at June 30, 2015 and 2014) plus 0.50%, with a minimum rate at 5.50% per annum. The Organization has a maximum borrowing limit of \$4,000,000 on the line of credit which expires December 31, 2015. As of June 30, 2015 and 2014, the outstanding balance was \$-0- and \$200,000 respectively. The line of credit agreement includes certain financial covenants, all of which have been met for the year ended June 30, 2015.

Note 8 - Contributions and net revenue from special events

	June 30,	
	2015	2014
Contributions	\$ 534,658	\$ 516,127
Special event revenue	64,053	50,527
Less costs of direct benefits to donors	(42,926)	(49,050)
Net revenue	\$ 555,785	\$ 517,604

Note 9 - In-kind contributions of food and property

	June 30,	
	2015	2014
Food donated by Second Harvest Food Bank	\$ 2,128,780	\$ 2,186,175
Equipment	-	57,482
Vehicles (sold at auction)	117,677	132,857
Special event costs	17,415	24,525
Total in-kind contributions	\$ 2,263,872	\$ 2,401,039

The Organization also receives donated services that do not require specific expertise but which are nonetheless central to the Volunteer Program. The Volunteer Program provides for the partnering of volunteers and the staff of the Organization to create a more cohesive community by fostering trust between residents and the development of norms of solidarity and reciprocity that is essential to stable communities. These services are not reported in the financial statements since they do not meet the criteria for recognition, as discussed in Note 2. The estimated value of these services, as determined by the Organization, was \$1,070,840 and \$506,824 for the years ended June 30, 2015 and 2014, respectively.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 10 - Commitments

The Organization leases certain facilities and equipment under cancelable and non-cancelable operating leases expiring through 2019. Minimum rental commitments under non-cancellable operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 169,968
2017	44,380
2018	44,280
2019	44,280
2020	<u>44,280</u>
	<u>\$ 347,188</u>

Total rental expense, which includes the Organization's share of common area expenses, for the years ended June 30, 2015 and 2014, was \$237,103 and \$294,828, respectively.

The Organization currently leases portions of John XXIII Senior Center (the "Center") from Giovanni Center, a related party, under a year to year lease. The lease requires the Organization to make an annual payment of \$1, plus utilities. The fair value of the favorable rent below the current market rate rent has not been reflected in the financial statements as the amount is not readily determinable and management has determined it to be immaterial to the financial statements. The property is owned by the Diocese of San Jose and is secured by a Deed of Trust on the property. The note becomes due and payable if, prior to December 31, 2016, there is a default under the Deed of Trust, if the facility is sold, or if the Organization changes the use of the facility to an activity not "eligible" under the acts and regulations issued by HUD.

Note 11 - Retirement plans

Retirement benefits are provided to substantially all full-time employees.

On January 1, 1989, the Organization changed its defined benefit plan to a defined contribution plan. Under the defined contribution plan, which qualifies under Section 401(k) of the Internal Revenue Code, the Organization's contributions are 5% of the annual salary of each eligible participant. Pension expense (net of forfeitures) for the years ended June 30, 2015 and 2014 was \$601,111 and \$607,249, respectively. In addition, the Organization has a defined contribution plan (employee contributions only) which qualifies under Section 403(b) of the Internal Revenue Code. These defined contribution plans cover all permanent employees.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 12 - Net assets released from restrictions and net assets

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose, generally related to the support of program services or by the expiration of time, are as follows for the years ended June 30, 2015 and 2014:

	June 30,	
	2015	2014
Time restrictions expired:		
Contributions – individuals and businesses	\$ 31,945	\$ 11,000
Charitable lead unitrust	81,688	75,638
	113,633	86,638
Purpose restrictions fulfilled:		
Appropriated endowment earnings	293,941	270,970
Contributions – foundations and trusts	932,783	799,375
Contributions – individuals and businesses	1,270,620	792,745
Bequests	2,716	4,300
Special events	171,135	31,818
	2,671,195	1,899,208
	\$ 2,784,828	\$ 1,985,846

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 12 - Net assets released from restrictions and net assets (continued)

Net assets at June 30, 2015 and 2014:

	June 30,	
	2015	2014
Unrestricted net assets:		
Undesignated	\$ 2,158,352	\$ 1,495,682
Board designated reserve*	4,222,822	2,089,355
Net investment in property and equipment	3,729,773	4,010,595
Total unrestricted net assets	10,110,947	7,595,632
Temporarily restricted net assets:		
Time restrictions:		
Contributions – individuals and businesses	21,000	36,000
Charitable lead unitrust	647,203	728,891
	668,203	764,891
Purpose restrictions:		
Contributions – foundations and trusts	335,756	203,120
Contributions – individuals and businesses	1,943,051	1,665,943
Special events – Golf & Bocce	99,446	132,690
Unappropriated endowment earnings	2,505,057	2,487,626
Emergency relief fund	53,314	53,314
Net investment in property and equipment	1,060,971	1,370,646
	5,997,595	5,913,339
Total temporarily restricted net assets	6,665,798	6,678,230
Permanently restricted net assets:		
The portion of permanent endowment funds that is required to be retained permanently either by explicit donor stipulations or by UPMIFA	6,969,623	6,777,792
Total permanently restricted net assets	6,969,623	6,777,792
Total net assets	\$ 23,746,368	\$ 21,051,654

* The Board designated net assets reserve includes amounts set aside for contingencies and operating reserves.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 13 - Endowment

The Organization's endowment consists of nine (9) individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of relevant law

The California version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the California version of UPMIFA. In accordance with the California version of UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Endowment net asset composition by type of fund

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>As of June 30, 2015</u>				
Donor-restricted endowment funds	\$ -	\$ 2,505,057	\$ 6,969,623	\$ 9,474,680
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>As of June 30, 2014</u>				
Donor-restricted endowment funds	\$ -	\$ 2,487,626	\$ 6,777,792	\$ 9,265,418

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 13 - Endowment (continued)

Changes in endowment net assets

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>As of June 30, 2015</u>				
Endowment net assets, beginning of year	\$ -	\$ 2,487,626	\$ 6,777,792	\$ 9,265,418
Investment return:				
Investment income	-	132,288	-	132,288
Net appreciation	-	179,084	-	179,084
Total investment return	-	311,372	-	311,372
Contributions	-	-	191,831	191,831
Appropriate earnings spent on programs	-	(293,941)	-	(293,941)
Endowment net assets, end of year	\$ -	\$ 2,505,057	\$ 6,969,623	\$ 9,474,680
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>As of June 30, 2014</u>				
Endowment net assets, beginning of year	\$ -	\$ 1,492,201	\$ 6,730,239	\$8,222,440
Investment return:				
Investment income	-	1,136,610	-	1,136,610
Net appreciation	-	129,785	-	129,785
Total investment return	-	1,266,395	-	1,266,395
Contributions	-	-	47,553	47,553
Appropriate earnings spent on programs	-	(270,970)	-	(270,970)
Endowment net assets, end of year	\$ -	\$ 2,487,626	\$ 6,777,792	\$ 9,265,418

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or California version of UPMIFA requires the Organization to retain as a fund for perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature would be reported in unrestricted net assets. There were no funds with deficiencies as of June 30, 2015 and 2014.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 13 - Endowment (continued)

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). These funds have been donated to the Organization with the intent that the principal remain intact and that only the investment earnings be used in the operations of the Organization. Funds should be invested in growth or income producing assets with preservation and growth as primary objectives. The assets will be invested in cash equivalents, equities, or income investments consistent with the investment policy.

Strategies employed for achieving objectives

The overall investment goals over a rolling five-year time period are as follows:

- A. To achieve a total return that is in the top half of managers within a representative universe with similar investment parameters. The ranking over multiple time periods is the performance criteria rather than the ranking achieved in any one specific year.
- B. The Investment Funds should experience long-term growth in the value of its assets.
- C. The Investment Funds should be invested in accordance with prudent fiduciary practice.
- D. That growth in assets should be experienced with reasonable levels of risk and volatility of return.

Management and the Board of Directors recognize that risk (i.e., the uncertainty of future events), volatility (i.e., the variability of returns), and the possibility of loss in purchasing power (due to inflation) are present to some degree in all types of investment vehicles. High levels of risk, as evidenced by high volatility and low quality rated securities, are to be avoided. The assumption of reasonable risk levels consistent with the objectives and guidelines approved by the Board of Directors is warranted and encouraged in order to allow the Investment Manager the opportunity to achieve satisfactory long-term results. The Investment Policy of the Organization is to strive for preservation and growth of entrusted funds with a maximum economic return thereon, while showing a preference toward those companies which have manifested a particular consideration for the social good.

Spending policy and how the investment objectives relate to spending policy

The Organization shall distribute funds from the return on each endowment fund at its "normal spending rate" according to its Investment Policy and guidelines established by the Board of Directors. Currently, the normal spending rate is up to 5% on a 12 quarter rolling average of the market value. Return on the endowment funds that exceed the normal spending allocation will normally be added to the principal (and accounted for in the temporarily restricted fund). At the discretion of the Board of Directors, some portion or all of such excess may be expended for a particular need or project related to the purpose of the endowment.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 14 - Related parties

The Organization is affiliated with Charities Housing Development Corporation through a common board member. The Organization signed contracts with Charities Housing Development Corporation to provide services at various housing projects for low-income individuals. Revenue for these services was \$203,257 and \$144,410 for the years ended June 30, 2015 and 2014, respectively.

The Organization pays dues to Catholic Charities USA, which is a trade association providing training and seminars. Dues for the years ended June 30, 2015 and 2014 were \$26,298 and \$27,598, respectively.

The Organization pays dues to Catholic Charities of California, a trade association that provides training and seminars. Dues for the years ended June 30, 2015 and 2014 were \$21,416 and \$22,232, respectively.

The Organization pays to the Roman Catholic Bishops for its portion of workers compensation expense. Payments for the years ended June 30, 2015 and 2014 were \$113,463 and \$75,398, respectively.

The Organization pays insurance premiums to the Diocese of San Jose with respect to certain policies arranged by the Diocese of San Jose which cover the Organization as a named insured. Amounts paid for the years ended June 30, 2015 and 2014 were \$259,517 and \$247,158, respectively. The Organization also paid the Diocese of San Jose for advertising and faith services in the amounts of \$65,653 and \$62,233 for the years ended June 30, 2015, and 2014, respectively.

The Organization rents portions of John XXIII Senior Center from Giovanni Center, a related party through the Diocese of San Jose. The agreement requires the Organization to make annual payments of \$1, plus utilities.

Note 15 - Contingencies

Grants

Conditions contained within the various contracts awarded to the Organization are subject to the funding agencies' criteria and regulations under which expenditures may be charged against, and are subject to audit under such regulations and criteria. Occasionally, such audits may determine that certain costs incurred against the grants may not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding source for the costs or be subject to the reductions of future funding in the amount of the costs.

State unemployment insurance

The Organization is self-insured for State Unemployment Insurance purposes. When terminated employees file unemployment claims with the Employment Development Department, those claims are submitted directly to the Organization for payment. Since the Organization does not know how long a particular claimant will claim benefits, it is not feasible to accurately calculate the cost of claims applicable to the year ended June 30, 2015, and as such, the Organization may be liable for claims in excess of those accrued in these financial statements. Management does not expect any possible unaccrued claims to be material to the financial statements.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 15 - Contingencies (continued)

Legal

The Organization is currently involved in litigation pertaining to compensation of former employees. The Organization has not accrued an amount for potential losses. Management believes insurance coverage will be sufficient to cover any potential costs.

During the fiscal year ended June 30, 2014, the Organization received notice that they will receive approximately \$427,000 for the reimbursement of legal expenses from the insurance carriers, as part of the on-going settlement. During the fiscal year ended June 30, 2015, the Organization received \$219,000 towards this outstanding balance. The remaining balance is expected to be received upon settlement of the litigation discussed above.

Department of Housing and Urban Development

During July 2014, the Organization underwent a file review by the Department of Housing and Urban Development (HUD) related to the Supportive Housing Program (the Program) for the operating years (fiscal years ended June 30th) 2010-2013. HUD issued a Monitoring Report that questioned compliance with certain eligibility requirements of participants and program costs, as identified during the review. The Organization has issued detailed responses to the file review findings, along with comprehensive corrective action plans. HUD continues to review the Organization's responses to the Monitoring Report and corrective action plans. Based upon the nature and extent of HUD's findings with respect to the Organization's noncompliance with participants' eligibility verification documentation and related program costs, it is possible that the Organization will be required to reimburse HUD for some portion of the Program's funds received during these operating years. Presently, management is unable to determine the potential range of reimbursement the Organization may be required to refund HUD, pending the results of HUD's final review.

As a result of HUD's ongoing file review, HUD has identified a portion of leasing costs which HUD concluded are allowable and can be invoiced by the Organization. However, payment will be withheld until the full file review is concluded and HUD has issued their final report. Included in accounts receivable within the accompanying Statements of Financial Position as of June 30, 2015 and 2014, are amounts approximating \$543,000 and \$192,000, respectively, which have been invoiced to HUD for the reimbursement of these allowed leasing costs.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Financial Statements

June 30, 2015 and 2014

Note 15 - Contingencies (continued)

Santa Clara Valley Health and Hospital System

During June 2015, the Organization underwent a special clinical records review by the Santa Clara Valley Health and Hospital System (SCVHHS) related to the Behavioral Health Services Programs (the Programs) for the period from February 1 to April 30, 2015. On August 28, 2015, SCVHHS issued a Preliminary Audit Report that found non-compliance with the treatment plans and progress notes requirements of certain participants, all identified during the review. The Organization has developed a detailed response to the clinical records review findings, along with a comprehensive corrective action plan. SCVHHS is in the process of reviewing the Organization's response and corrective action plan. The Organization was ordered to refund \$104,810 of disallowed services to SCVHHS. This amount was accrued and is reflected in the Statements of Financial Position as of June 30, 2015. Furthermore, the Organization must also conduct a comprehensive audit of all Behavioral Health Services programs for which the disallowance rate exceeded the applicable threshold. Based upon the Preliminary Audit Report, it is likely that the Organization will be required to reimburse SCVHHS for some additional portion of the program's funds received during the fiscal year ended June 30, 2015. Presently, management is unable to determine the potential range of reimbursement the Organization may be required to refund SCVHHS as a result of this comprehensive audit.

Note 16 - Concentrations

The Organization receives a significant portion of its revenue and support from several governmental agencies. If these governmental agencies terminated their support of the Organization, the Organization's ability to provide services could be significantly reduced.

Note 17 - Reclassifications

Certain reclassifications have been made to the June 30, 2014 financial statements to conform to the June 30, 2015 financial statement presentation.

SUPPLEMENTARY INFORMATION

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

CITY OF SAN JOSE CONTRACTS AND BILLINGS

Year Ended June 30, 2015					
<u>Program Name</u>	<u>Program #</u>	<u>Contract Number</u>	<u>Source</u>	<u>Budget Amount</u>	<u>Amount Billed</u>
Day Break San Jose	218	CPS-12-002A	Federal	\$ 97,717	\$ 97,717
Sr Wellness-ENC-JXXIII-SJ	257	644721	City	50,000	17,741
Sr Wellness-ENC-JXXIII-SJ	257	644906	City	50,000	29,727
WUYC Recreation	675	644813	City	10,000	8,916
BEST	687	644685	City	252,000	48,599
BEST	687	644888	City	313,000	225,228
CalGRIP	688	644545	City	66,000	18,832
City of San Jose	718	CPS-12-004B	Federal	96,212	77,318
Spartan Keys	724	644875	City	81,827	81,827
FMCJ Santee Summer Program	726	644949	City	25,000	9,459
Pop Up Parks SJ	735	644787	City	25,000	12,495
				<u>\$ 1,066,756</u>	<u>\$ 627,859</u>

**REPORTS AND SCHEDULES
REQUIRED BY OMB CIRCULAR A-133**

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
Catholic Charities of Santa Clara County
San Jose, California

We have audited, in accordance with U.S. generally accepted auditing standards 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 Catholic Charities of Santa Clara County (the "Organization"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2015.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Member of



North America

An association of legally
independent firms

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.

A handwritten signature in cursive script that reads "Abbott, Shingler & Lynch". The signature is written in black ink and is positioned above the date.

November 13, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Catholic Charities of Santa Clara County
San Jose, California

Report on Compliance for Each Major Federal Program

We have audited Catholic Charities of Santa Clara County's (the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's 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 U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Programs

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, 2015.

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 OMB Circular A-133, 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 weakness. 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in cursive script that reads "Abbott, Shingler + Lynch".

November 13, 2015

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Schedule of Expenditures of Federal Awards

June 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (\$)
United States Department of Agriculture			
Stated Administrative Matching Grants for the Supplemental Nutrition Assistance Program: Passed through the Catholic Charities of California	10.561	13-3065 A-1	\$ 21,540
Special Supplemental Nutrition Program for Women, Infants and Children (WIC): Passed through the County of Santa Clara	10.557	4300007960	43,103
Total United States Department of Agriculture			<u>64,643</u>
United States Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants:			
Passed through Santa Clara Urban County, CA	14.218	PS-15-01	10,806
Passed through City of Santa Clara, CA	14.218		4,463
Passed through City of Milpitas, CA	14.218		5,000
Passed through City of Palo Alto, CA	14.218	C14151069	5,897
Passed through City of San Jose, CA	14.218	CPS-12-002A	97,717
Passed through City of San Jose, CA	14.218	CPS-12-004B	77,318
Passed through CommUniverCity, CA	14.218	CPS-12-005B	13,885
			<u>215,086</u>
Continuum of Care Program:			
Passed through Navigator	14.267	CA0745L9T001204	105,554
Passed through Navigator	14.267	CA0745L9T001305	75,685
Passed through Family Housing	14.267	CA0006L9T001305	137,612
			<u>318,851</u>
Total United States Department of Housing and Urban Development			<u>533,937</u>
United States Department of Education			
Rehabilitation Services Vocational Rehabilitation Grants to States:			
Passed through the State of California Department of Education	84.126	28861	863,483
Total United States Department of Education			<u>863,483</u>

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Schedule of Expenditures of Federal Awards

June 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (\$)
United States Department of Health and Human Services			
Unaccompanied Alien Children Program:			
Unaccompanied Alien Children Program \$200 day per Child	93.676	09ZU0090	\$ 81,000
Unaccompanied Alien Children Program \$200 day per Child	93.676	09ZU0090	<u>246,524</u>
			<u>327,524</u>
Special Programs for the Aging:			
Passed through Council on Aging - Title VII, Chapter 2, Title VII Part A - Ombudsman	93.042	20152301	<u>55,765</u>
Special Programs for the Aging:			
Passed through Council on Aging - Title VII, Chapter 3, Title VII, Part B	93.041	20152401	<u>22,412</u>
Aging Cluster:			
Passed through Council on Aging - Title III: Title III, Title III, Part B - Ombudsman	93.044	20151901	44,151
Title III, Title III, Part B	93.044	20150101	<u>10,000</u>
			<u>54,151</u>
Special Programs for the Aging:			
Passed through County of Santa Clara Title III, Part C - Nutrition Services	93.045		258,323
Passed through County of Santa Clara Title III, Part C - Nutrition Services	93.045		<u>256,423</u>
			<u>514,746</u>
Total Aging Cluster			<u>568,897</u>
National Family Caregiver Support:			
Passed through Council on Aging Title III, Part E - KRC	93.052	20152802	<u>54,600</u>
Substance Abuse and Mental Health Services:			
Passed through Santa Clara County, CA:			
Mental Health Department Healthy Families	93.243	1H79SM059504-01	73,841
Mental Health Department Healthy Families	93.243	1H79SM059504-01	319,862
Mental Health Department SAMHSA Homeless Veteran	93.243	SMS59129	<u>290,748</u>
			<u>684,451</u>

CATHOLIC CHARTIES OF SANTA CLARA COUNTY

Schedule of Expenditures of Federal Awards

June 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (\$)
Refugee and Entrant Assistance - State Administered Programs: Passed through the State of California Department of Social Services	93.566	14-3007	<u>\$ 3,950,852</u>
Refugee and Entrant Assistance - Discretionary Grants: Passed through Office of Refugee Resettlement	93.576	90ZI0086-02-01	30,909
Passed through Office of Refugee Resettlement	93.576	90ZI0086-03-00	<u>87,400</u>
			<u>118,309</u>
 Total United States Department of Health and Human Services			 <u>5,782,810</u>
 United States Department of Homeland Security Citizenship Education and Training	 97.010	 2014-CS-010-000004	 <u>88,538</u>
 United States Department of State Refugee Admissions Program: Passed through U.S. Catholic Conference - URM	 19.510	 90ZU0090	 11,711
Refugee Resettlement	19.510	SPRMC814CA1002	12,375
Refugee Resettlement	19.510	SPRMC814CA1002	8,800
Refugee Resettlement	19.510	SPRMC015CA1006	11,050
Refugee Resettlement	19.510	SPRMC015CA1006	<u>14,625</u>
 Total United States Department of State			 <u>58,561</u>
 Total Expenditures of Federal Awards			 <u><u>\$ 7,391,972</u></u>
 Other Non-Federal Awards passed through Council on Aging			 <u><u>\$ 123,530</u></u>
 Total Awards			 <u><u>\$ 7,515,502</u></u>

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Notes to Schedule of Expenditures of Federal Awards

June 30, 2015

Note 1 - Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

Note 2 - Summary of significant accounting policies

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

Pass-through entity identifying numbers are presented where available.

Note 3 - Food distribution

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed. At June 30, 2015, the Organization had no food commodities in inventory.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Schedule of Findings and Questioned Costs

June 30, 2015

Section I - Summary of auditor's results

Financial statements

Type of auditor's report issued		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	_X_ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	_X_ none reported
Noncompliance material to financial statements noted?	___ yes	_X_ no

Federal awards

Internal control over major programs:		
Material weakness(es) identified?	___ yes	_X_ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	_X_ no
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of <i>OMB Circular A-133</i> ?		
	___ yes	_X_ no

Identification of major programs:

<u>CFDA number(s)</u>	<u>Name of federal program or cluster</u>
14.267	Continuum of Care
93.566	Refugee and Entrant Assistance – State Administered Programs
93.676	Unaccompanied Alien Children

Dollar threshold used to distinguish between type A and type B programs:		\$300,000
Auditee qualified as low-risk auditee?	___ yes	_X_ no

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Schedule of Findings and Questioned Costs

June 30, 2015

Section II - Findings – financial statement audit

No financial statement findings.

Section III - Findings and questioned costs – federal awards

No federal awards findings.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

Schedule of Prior Audit Findings

June 30, 2015

Status of prior year audit findings

No prior audit findings.

Board of Directors

Chair

James Otieno

Vice Chair

Mala Jairam

Treasurer

Dan Winter

Secretary

Denise Robinson

Board Members

Michelle Bhatia

Penny Blake

Chantelle Breithaupt

Linda Brennan

Xavier Carrasco

Joe Cousins

Laura Duganne

David Enemark

Becky Manchester

Jane Oglesby

Michael O'Leary

Moe Rubenzahl

Herta Schreiner

Lorena Torres

Greg Warder

Kate Watson

Board Alumni

Lenny Alugas

Shirley Cantu

Lisa Cheskin

Ken Comée

Toni Cupal

Lt. Robert Dominguez

Margie Edwards

Susan Ford

Terence Fox

Kevin Gardner

Linda Giannini

Joseph Giansante

Maxine Goulding

Ram Gupta

Paul Hammond

William Hannemann

Claire Hayes

Larry Jinks

André Luu

Nora Manchester

Cynthia Mertens

Jennifer Miller

Gladys Monroy

Doug Morgan

Raul Mujica

Kristin Nevarez

Dana Nunn

F.F. (Bud) Oliver

Vilma Palette

Tim Propeck

Sridhar Ramanathan

Myra Reinhard

Jeff Richardson

Steve Ross

Shelly Sarkisian

Linda Schiefelbein

Charla Rolland Shelton

Elizabeth Sippl

Howard Slayen

Lisa Sonsini

Julie Stermer

Elaine Sulzberger

Penny Thayer

Walt Thinfen

Jose Vargas

Shlomo Waser

Kathryn Williams

Mark Williams

Kari Wolff

Erica Yew

Kelly Young

Executive Director

Karen Scussel

February 4, 2016

Milpitas City Council Members
Milpitas City Hall
455 E. Calavares Boulevard
Milpitas, CA 95035

Dear Council Members,

This proposal has the full support of the Board of Directors of Child Advocates of Silicon Valley.

I certify that the foregoing is true and correct as of January 30, 2016, that Child Advocates will use any funds received from the City of Milpitas solely for the purposes described within the proposal and that the agency will submit any additional information requested.

Regards,

Denise Robinson
Board Secretary



MEMBER
NATIONAL CASA ASSOCIATION

Milpitas: 509 Valley Way, Bldg. #2, Milpitas, CA 95035 • 408.416.0400 phone • 408.416.0406 fax

www.bemyadvocate.org • Tax I.D. No. 77-0250773



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Child Advocates of Silicon Valley Date: 2/2/16

Address: 509 Valley Way, Building 2
Street Address *Suite Number*

Milpitas CA 95035
City *State* *ZIP Code*

Phone: 408-573-5601 Email: Karen@cadvocates.org

Executive Director: Karen Scussel

Project Manager (PM): Stacy Castle

PM's Phone: 408-573-5662 PM's Email: Stacy@cadvocates.org

DUNS #: 92-666-1257 STT

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Child Advocates of Silicon Valley's mission is to provide stability and hope to children who have experienced abuse and neglect by being a powerful voice in their lives. Our vision is that every child has a positive view of the future and the opportunity to become a productive, healthy adult.

The American Medical Association states, "A more vulnerable group does not exist than children removed from the custody of their parents and placed in foster care." Child Advocates believes the most effective way to support our most vulnerable children is to provide them with a caring adult who will remain their friend, advocate and mentor throughout their time in the dependency system: a Court Appointed Special Advocate (CASA). Today, the agency is in the midst of a 5-year strategic plan to provide a CASA to every foster child in Santa Clara County, or approximately 1,000 children, by year-end 2018.

Agency's Mission:

Section B: Funding Request

Total funding requested for this project	\$ 10,000
Total cost of project	\$ 1,800,000
Other funds leverage for project i.e. Private Donations (estimation)	\$ 1,790,000
Other funds not secured by project	\$ 1,790,000
Are you getting County assistance, if so, please list	\$ 112,654

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

The agency will seek support for the project from local community funders and will use non-restricted funds to offset any deficits in funding for the project. Child Advocates is currently experiencing financial health and stability. The local community has responded very positively to our five year strategic plan to provide a CASA for every foster child in Santa Clara County. We have successfully diversified our funding base, receiving support from a variety of sources, including events (28%), individuals (16%), government entities (16%), foundations (18%), corporations (17%), and other (5%).

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Child Advocates of Silicon Valley received CDBG funding in the amount of \$10,290.31 for fiscal years 2014-2016

Section C: Project Eligibility

Targeted Clientele: Foster children in the city of Milpitas

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
 Elimination of Slums and Blight
 Urgent Need

Child Advocates is the only agency in Santa Clara County that provides CASAs to foster youth. Because our volunteers are court-appointed, they can thoroughly research every aspect of a child's case, including meeting teachers, doctors, social workers and foster parents, thereby gaining a comprehensive perspective on what the child needs in order to thrive. CASAs assist their child in accessing needed resources, follow their school progress, help create a sense of belonging to the larger community, and speak up for their child's best interests in court. They maintain complete records about the case, submit reports and attend court hearings.

Potential volunteer CASAs are required to complete a rigorous training process before being sworn-in by a judge as a Court Appointed Special Advocate. This 30-hour training, conducted by Child Advocates, covers a broad range of topics, including the juvenile dependency and foster care systems, the role of social workers and attorneys, drug and alcohol abuse, domestic violence, child development and the effects of abuse, special education laws and cultural competency. CASAs remain assigned to a child until the child's case is dismissed, seeing the child at least once a week and devoting an average of 12 hours per month to the child's case.

Currently, the agency provides CASAs to approximately 750 children, or 47% of the county's foster children. In Milpitas specifically, Child Advocates has served 33 children to date, 22 currently, and has 5 additional Milpitas children in immediate need of a CASA. Child Advocates is in the midst of a 5-year strategic plan to provide a CASA to every foster child in Santa Clara County, or approximately 1,000 children, by year-end 2018.

Research reveals that foster youth need the consistency and support of a CASA, considering the multitude of challenges they face compared to their non-dependent peers:

*Overly medicated: Nearly 1 out of every 4 adolescents in California's foster care system is receiving psychotropic medications — 3 times the rate for all adolescents nationwide.

*Crossover to Juvenile Justice System: As many as 6 out of every 10 youth in the juvenile justice system have histories in the child welfare system. These "dually involved" youth have as much as a 30% increased likelihood of becoming serious and violent adult offenders.

*Mental health: A recent survey of 17-year old foster youth in California found that 40% had considered suicide and 23% had attempted it.

*Disabilities: Children in foster care are classified with a disability at twice the rate of the general population, and, among children with disabilities, foster children are about five times more likely to be classified with an emotional disturbance.

*Teen pregnancy: While the overall rate of teen pregnancy continues to fall, teen pregnancy among youth in foster care remains alarmingly high. A 2013 study found that by age 21, over one in three young women who were in foster care at age 17 will have given birth.

*School changes & disruptions: In a survey of foster youth, 9 out of 10 reported that they had to change schools and about one-third changed schools seven or more times. Approximately one-third of youth reported that they were out of school for one month or more because of a foster care placement change. Youth also reported a high level of school disruptions, with 67% reporting that they had been suspended, 28% had been expelled and 34% had repeated a grade.

*Test scores: Just 29% of students in foster care score proficient or above in English language arts on the California Standards Test ("CST"), compared to 53% of students statewide. Similarly, 37% of foster youth score proficient or higher on the math portion of the CST compared with 60% of students statewide.

*School completion: Foster youth have the highest dropout rates and the lowest graduation rates. The single year dropout rate for students in foster care is 8%, compared with 3% of students statewide. Likewise, just 58% of California's students in foster care graduate from high school compared with 84% of students statewide.

It is essential that Child Advocates meets its goal of providing all of Santa Clara County's foster children with

CASAs, as foster children with CASAs achieve greater outcomes than those without. Last year, 93% of our youth completed their high school requirements, compared to fewer than 50% of foster children nationwide; and, 73% of Child Advocates' children ages 3 to 5 were enrolled in pre-school, compared to just 35% of all 3 to 5 year-old Santa Clara County foster children.

Provide a concise description of the proposed project:

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

Abused children

Elderly persons 62 years or older

Battered persons

Severely disabled adults (not children) as defined by the Census

Illiterate adults

Persons living with HIV/AIDS

Migrant farm workers

Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

Single Family (must be 100% LMI)

Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	780	840	37
2. Cost Per Client Annually	\$1,920	\$1,950	
3. How many are low- and very-low income?	100%	100%	100%
4. Will the proposed assistance result in increase in clients? State projected number.		60	5

5. What is the total number of unduplicated clients/households to be served?	780	840	42
--	-----	-----	----

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

CDBG funds paid a portion of salaries to recruit, train and support Court Appointed Special Advocates to serve additional foster children in Milpitas.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Demographic data is collected by social workers and provided to our agency in bi-monthly demographic and data reports. The data is entered into our Child Advocates' database and regularly reported to the state Judicial Council and the National CASA Association.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

Child Advocates receives every court report of every child involved in the Santa Clara County Superior Court's Juvenile Dependency Court. Unless a child is scheduled to move out of state or is moved to a remote county within California, the child is placed on our waitlist for a CASA.

Countywide, there are approximately 100 children waiting for a CASA and we expect the list to grow to 300 during the course of the next fiscal year. In Milpitas specifically, there are currently 5 children on the waitlist for a CASA.

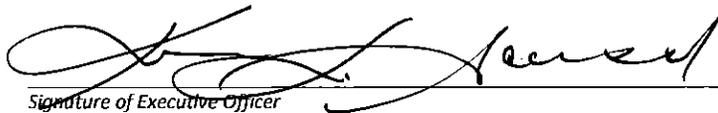
Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.


Signature of Executive Officer

February 5, 2016
Date

Project Eligibility

This project meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Child Advocates of Silicon Valley: Advocacy for Foster Youth

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	\$10,000	\$1,181,606	\$1,191,606	General Oper. Funds & Grants
Benefits			208,912	General Operating Funds
Rent			23,975	Discounted rent from Sobrato Family foundation & General Ops. Funds
Telephone			10,000	General Operating Funds
Postage			6,500	General Operating Funds
Printing (including Ads)			12,000	General Operating Funds
Supplies			6,300	General Operating Funds
Travel			15,000	General Operating Funds
Utilities			12,900	General Operating Funds
Equipment & Maintenance			17,800	General Oper. Funds & Grants
Dues & Subscriptions			4,000	General Operating Funds
Accounting Services			13,000	General Operating Funds
Contract Services			90,000	General Oper. Funds & Grants
Insurance			15,000	General Operating Funds
Conference			6,000	General Operating Funds
Miscellaneous			85,960	General Operating Funds
TOTAL	\$10,000	1,708,953	1,718,953	General Operating Funds & Grants

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Child Advocates of Silicon Valley: Advocacy for Foster Youth

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Outreach Laura Fulda	50%	Host monthly recruiting Open House events	Recruit 60 potential volunteer CASAs per quarter, 240 for the year
Training Julie Laursen	50%	Conduct a 30 hour training class for new CASA volunteers	Train 40 new CASAs per class; conduct 5 CASA training classes within the fiscal year to train a total of 200 new CASAs
Program Stacy Castle	33%	Assign CASAs to children on the waitlist	Assign CASAs to 25 unduplicated foster youth on the waitlist per month for a total of 300 new children served for the year
Training Julie Laursen	50%	Conduct at least one monthly continuing education workshop	All CASAs complete at least one hour of continuing education per month for 6,900 continuing education hours for the year
Program Tamie Barragan	100%	Review monthly reports submitted by CASA volunteers. Provide guidance & support	Provide expert supervision to CASA volunteers

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: February 3, 2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Child Advocates of Silicon Valley: Advocacy for Foster Youth
 Project Coordinator: Stacy Castle, Director of Programs

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Monthly Recruiting Open Houses	1	1	1	1	1	1	1	1	1	1	1	1
CASA Training classes	1		1		1		1			1		
Assign CASAs to children/youth	25	25	25	25	25	25	25	25	25	25	25	25
Host continuing education workshops	1	1	1	1	1	1	1	1	1	1	1	1
Provide on-going supervision to CASA volunteers via monthly reports and consultation (Caseload of at least 40)	40	40	40	40	40	40	40	40	40	40	40	40

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule? Yes
 Schedule Prepared By: Karen Scusse Title: Executive Director

Child Advocates of Silicon Valley

Fiscal Year 2016 Agency Budget

July 1, 2015 - June 30, 2016

Revenue	Expenditures	Budget
Government	Personnel	
Foundation		
Corporate Support		
Friends/Major Gifts		
Events (Gross Amount)		
less event expenses		
Net Events		
Other (Community Groups, Interest)		
Total Revenue from Operations		
Endowment Income		
Total Income		
	Salaries	\$ 1,191,606
	Employer Taxes	\$ 84,919
	Insurance Benefits	\$ 123,993
	Total Personnel	\$ 1,400,518
	Rent	\$ 23,975
	Professional Fees	\$ 90,000
	Supplies	\$ 6,300
	Recruitment and Training	\$ 30,000
	Children Services	\$ 33,660
	Telephone	\$ 10,000
	Utilities	\$ 12,900
	Postage	\$ 6,500
	Printing and Publications	\$ 12,000
	Janitorial Services	\$ 7,800
	Bank Fees	\$ 12,500
	Staff Travel	\$ 15,000
	Insurance (D&O, GL, WC)	\$ 15,000
	Conference & Meetings	\$ 6,000
	Dues, Subscriptions	\$ 4,000
	Equipment	\$ 15,000
	Repairs & Maintenance	\$ 2,800
	Depreciation	\$ 10,000
	Other	\$ 5,000
	Total Operating	\$ 318,435
	Total Expenditures	\$ 1,718,953
	Operating Profit/(Loss)	\$81,046

CHILD ADVOCATES OF SILICON VALLEY, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

JUNE 30, 2015

	<u>Page</u>
Audited Financial Statements	
Independent Auditors' Report.....	1 - 2
Statement of Financial Position.....	3
Statement of Activities and Changes in Net Assets.....	4
Statement of Functional Revenue and Expense.....	5
Summary of Endowment Funds.....	6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8 - 13

INDEPENDENT AUDITORS' REPORT



To the Board of Directors of
Child Advocates of Silicon Valley, Inc.
Milpitas, CA

We have audited the accompanying statement of financial position of Child Advocates of Silicon Valley, Inc. as of June 30, 2015, and the related statements of activities and changes in net assets, functional revenue and expense for the year then ended and cash flows for the years ended June 30, 2015 and 2014, 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. 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 relevance 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 Child Advocates of Silicon Valley, Inc. as of June 30, 2015 and the changes in its net assets, functional revenue and expense for the year then ended and its cash flows for the years ended June 30, 2015 and 2014 in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Child Advocates of Silicon Valley, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Morton & Associates, Inc

Morton & Associates Inc.
Certified Public Accountants

September 9, 2015

CHILD ADVOCATES OF SILICON VALLEY, INC.

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2015

(With Summarized Financial Information for the Year Ended June 30, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds June 30</u>	
				<u>2015</u>	<u>2014</u>
ASSETS					
Current Assets					
Cash & Equivalents	\$ 617,085	\$ 11,759	\$	\$ 628,844	\$ 283,780
Grants Receivable	123,796			123,796	77,357
Prepaid Expenses	<u>31,668</u>			<u>31,668</u>	<u>69,901</u>
Total Current Assets	<u>772,549</u>	<u>11,759</u>		<u>784,308</u>	<u>431,038</u>
Fixed Assets					
Net Property & Equipment	<u>52,330</u>			<u>52,330</u>	<u>13,821</u>
Book Value of Fixed Assets	<u>52,330</u>			<u>52,330</u>	<u>13,821</u>
Long Term Assets					
Investments	<u>1,089,291</u>		<u>500,000</u>	<u>1,589,291</u>	<u>1,578,126</u>
Total Long Term Assets	<u>1,089,291</u>		<u>500,000</u>	<u>1,589,291</u>	<u>1,578,126</u>
Total Assets	<u>\$ 1,914,170</u>	<u>\$ 11,759</u>	<u>\$ 500,000</u>	<u>\$ 2,425,929</u>	<u>\$ 2,022,985</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 4,959	\$	\$	\$ 4,959	\$ 37,683
Accrued Liabilities	1,300			1,300	
Payroll & Related Liabilities	<u>104,302</u>			<u>104,302</u>	<u>86,119</u>
Total Current Liabilities	<u>110,561</u>			<u>110,561</u>	<u>123,802</u>
NET ASSETS					
Operating Fund	661,988			661,988	300,468
Property & Equipment Fund	52,330			52,330	13,821
Restricted Net Assets		11,759		11,759	6,768
Endowment Fund	<u>1,089,291</u>		<u>500,000</u>	<u>1,589,291</u>	<u>1,578,126</u>
Total Net Assets	<u>1,803,609</u>	<u>11,759</u>	<u>500,000</u>	<u>2,315,368</u>	<u>1,899,183</u>
Total Liabilities & Net Assets	<u>\$ 1,914,170</u>	<u>\$ 11,759</u>	<u>\$ 500,000</u>	<u>\$ 2,425,929</u>	<u>\$ 2,022,985</u>

The Accompanying Independent Auditors' Report and the Attached Notes
are an Integral Part of These Financial Statements.

CHILD ADVOCATES OF SILICON VALLEY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2015

(With Summarized Financial Information for the Year Ended June 30, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds June 30</u>	
				<u>2015</u>	<u>2014</u>
SUPPORT					
Contributions	\$ 416,823	\$	\$	\$ 416,823	\$ 240,545
Community Groups	67,231	189,458		256,689	60,053
Corporate Contributions	196,149	104,500		300,649	253,460
Foundation Contributions	63,006	155,000		218,006	260,571
Contributions In-Kind	450,368			450,368	371,954
Government Grants	<u>246,135</u>			<u>246,135</u>	<u>231,190</u>
Total Support	<u>1,439,712</u>	<u>448,958</u>		<u>1,888,670</u>	<u>1,417,773</u>
REVENUE					
Special Events	404,866			404,866	350,783
Interest & Dividends	35,134			35,134	27,548
Other Income	10,004			10,004	11,961
Realized Gain or (Loss)	2,253			2,253	(2,608)
Unrealized Gain or (Loss)	<u>(19,066)</u>			<u>(19,066)</u>	<u>134,961</u>
Total Revenue	<u>433,191</u>			<u>433,191</u>	<u>522,645</u>
Total Increases in Net Assets	<u>\$ 1,872,903</u>	<u>\$ 448,958</u>	<u>\$</u>	<u>\$ 2,321,861</u>	<u>\$ 1,940,418</u>
EXPENSES					
Program Services					
Program	<u>\$ 1,626,342</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,626,342</u>	<u>\$ 1,350,296</u>
Total Program Services	<u>1,626,342</u>			<u>1,626,342</u>	<u>1,350,296</u>
Support Services					
Management & General	133,044			133,044	103,440
Fund Raising	<u>146,290</u>			<u>146,290</u>	<u>179,468</u>
Total Support Services	<u>279,334</u>			<u>279,334</u>	<u>282,908</u>
Total Expenses	<u>1,905,676</u>			<u>1,905,676</u>	<u>1,633,204</u>
Net Increase (Decrease) In Assets	(32,773)	448,958		416,185	307,214
Assets Released From Restriction	443,967	(443,967)			
Net Assets Beginning	<u>1,392,415</u>	<u>6,768</u>	<u>500,000</u>	<u>1,899,183</u>	<u>1,591,969</u>
Net Assets Ending	<u>\$ 1,803,609</u>	<u>\$ 11,759</u>	<u>\$ 500,000</u>	<u>\$ 2,315,368</u>	<u>\$ 1,899,183</u>

The Accompanying Independent Auditors' Report and the Attached Notes
are an Integral Part of These Financial Statements.

CHILD ADVOCATES OF SILICON VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2015
(With Summarized Financial Information for the Year Ended June 30, 2014)

	Support Services				Total 2014
	Program	Management & General	Fund Raising	Total Support Services	
EXPENSES					
Salaries	\$ 833,879	\$ 66,158	\$ 70,966	\$ 137,124	\$ 868,341
Employee Benefits	88,649	7,033	7,544	14,577	83,845
Payroll Taxes	63,467	5,035	5,401	10,436	72,907
Total Salaries & Benefits	985,995	78,226	83,911	162,137	1,025,093
Professional Fees	55,701	19,741	23,160	42,901	60,031
Contributed Services	39,855		2,363	2,363	79,638
Office	11,066	878	942	1,820	4,966
Janitorial	6,699	531	570	1,101	7,800
Contributed Supplies	236,699		17,636	17,636	138,082
Telephone	6,874	545	585	1,130	8,430
Utilities	9,775	776	832	1,608	10,278
Postage & Shipping	3,040	241	259	500	3,971
Occupancy	20,567	1,632	1,750	3,382	23,949
Contributed Space	132,093	10,480	11,242	21,722	154,235
Repairs & Maintenance	8,238	654	701	1,355	12,487
Printing & Publications	6,540	519	557	1,076	20,094
Dues & Publications	4,177	331	355	686	3,052
Marketing	728				1,604
Travel & Transportation	5,012				4,798
Conferences & Meetings	3,491				1,661
Training	25,372				25,372
Insurance	7,732	614	658	1,272	16,457
Investment & Bank Fees		15,810		15,810	8,178
Children's Services	47,653				16,397
Board Expenses		1,349		1,349	24,834
Total Expense before Depreciation	1,617,307	132,327	145,521	277,848	1,626,035
Depreciation	9,035	717	769	1,486	7,169
Total Expenses	\$ 1,626,342	\$ 133,044	\$ 146,290	\$ 279,334	\$ 1,633,204
Percentage of Total	85.34	6.98	7.68	14.66	100

The Accompanying Independent Auditors' Report and the Attached Notes are an Integral Part of These Financial Statements.

CHILD ADVOCATES OF SILICON VALLEY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>TOTAL CURRENT YEAR</u>	<u>TOTAL PRIOR YEAR</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Increase (Decrease) in Net Assets	\$ 416,185	\$ 307,214
Adjustments to Reconcile Net Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	10,521	7,169
Net Realized/Unrealized Loss on Investments	16,813	(132,353)
Net Investment Earnings	(27,978)	(21,193)
 (Increase) Decrease in Assets:		
Accounts Receivable	(46,439)	(25,984)
Prepaid Expenses	38,233	(41,051)
 Increase (Decrease) in Liabilities:		
Accounts Payable	(32,723)	28,400
Accrued Liabilities	1,300	
Payroll & Related Liabilities	<u>18,183</u>	<u>(5,900)</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	 394,095	 116,302
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Property & Equipment	<u>(49,031)</u>	<u>(9,769)</u>
 NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:	 (49,031)	 (9,769)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 <u>345,064</u>	 <u>106,533</u>
 CASH & CASH EQUIVALENTS, BEGINNING	 <u>283,780</u>	 <u>177,247</u>
 CASH & CASH EQUIVALENTS, ENDING	 <u>\$ 628,844</u>	 <u>\$ 283,780</u>
 NON CASH TRANSACTIONS		
Contributed Goods & Services	<u>\$ 447,335</u>	<u>\$ 371,954</u>

The Accompanying Independent Auditors' Report and the Attached Notes
are an Integral Part of These Financial Statements.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1: NATURE OF ACTIVITIES:

Founded in 1986, Child Advocates of Silicon Valley, Inc. (CASV) is a California non-profit corporation that works in partnership with the Santa Clara County Juvenile Dependency Court, a nationally recognized model court. The Court has changed the way the child dependency system has traditionally worked, focusing on healing the family, instead of just taking the child away. Court Appointed Special Advocates, trained by Child Advocates of Silicon Valley, Inc., receive 30+ hours of training to serve the needs of children in the foster care system, providing a powerful, independent voice for the child, giving voice to their issues and making their concerns "real" to the courts. Judge Katherine Lucero, former Supervising Judge of Santa Clara County's Dependency Court says, "Advocate volunteers are invaluable in helping judges make better decisions for abused children..... with an Advocate volunteer on his or her side, an abused child has a better chance of ending up in a safe, permanent, loving home."

Usually the most consistent adult relationship in the lives of these vulnerable children, Court Appointed Special Advocates meet weekly with their assigned child and spend three to four hours per week working on a child's case, becoming a trusted friend, mentor and regular adult presence. Working with foster parents, teachers, social workers, counselors and others to get a complete picture of the child's life and needs, these dedicated community volunteers make regular reports and attend hearings in the Dependency Court to advise the Judge of what is in the child's best interest. They encourage the academic success of foster children by following a child's progress in school, identifying available academic and enrichment resources, and making sure that school records are transferred in entirety when the child changes schools.

During the fiscal year ended June 30, 2015, Child Advocates of Silicon Valley, Inc. supported 575 Advocates in their work with 735 children. The Organization partnered in the development of the Dependency Wellness Court and Non-Minor Dependency (NMD) Court and continued its active participation in Teen Court.

Child Advocates of Silicon Valley, Inc. is a member of the National Court Appointed Special Advocates (CASA) Association. Child Advocates of Silicon Valley is one of the largest of over 951 programs nationwide and receives support from individuals, foundations, corporations, community organization and government agencies.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization follows standards of accounting and financial reporting for voluntary health and welfare organizations as prescribed by the American Institute of Certified Public Accountants.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In accordance with subtopic 958-205-05-6 of the FASB Accounting Standards Codification, the Organization reports its financial position and operating activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- Unrestricted Net Assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Agency maintains an Operating and a Property and Equipment Fund. Any net assets designated by the Board for specific purposes, such as the Board Designated Endowment Fund, are also categorized as unrestricted net assets. CASV has elected to report as an increase in unrestricted net assets any restricted revenue received in the current period for which the restriction has been met in the current period.
- Temporarily Restricted Net Assets include those assets which are subject to a donor restriction and for which the applicable restriction was not met as of the end of the current reporting period.
- Permanently Restricted Net Assets include assets which are subject to a non-expiring donor restriction such as donor contributions to an endowment fund.

Revenue Recognition is in accordance with the accrual basis of accounting. Grant revenue and program fees are recognized as revenue in the period in which the service is provided.

Cash and Cash Equivalents include highly liquid investments and those investments with a maturity of three months or less which are maintained in bank accounts or money market funds. The amounts in these accounts may at times exceed the federally insured limit.

Contributions are recorded when cash is received and are considered to be available for unrestricted use unless specifically restricted by the donor.

Grants Receivable are considered to be fully collectible so no allowance for doubtful accounts has been provided.

Furniture and Equipment with a useful life of three or more years and a cost or value in excess of \$500 is recorded at cost or, if contributed, at the estimated fair market value when donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to twenty years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Functional Expenses have been allocated between Program Services and Supporting Services based on an analysis of personnel time and space utilized.

Income Taxes are not provided for in the financial statements since the Corporation is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization has not been classified as a private foundation.

Investments received through donations are recorded at their fair market value and, in accord with Board policy, are generally sold upon receipt. Long Term Investments in the Board Designated Endowment Fund consist of a managed fund that Sand Hill Global Advisors, LLC manages. The funds are adjusted to market monthly and the unrealized investment gain or loss recorded as unrestricted revenue in the period in which the fluctuations occurred. Distributions may be made as determined by the Board.

Estimates: The preparation of financial statements in accordance with generally accepted accounting principles may require Management to make estimates and assumptions affecting recorded amounts or disclosures which could differ from actual results.

Prior Year Financial Information consists of amounts summarized from the prior audit which are presented in total but not by net asset class. Such information does not include sufficient detail to constitute a full comparative presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information has been derived.

NOTE 3: EMPLOYEE BENEFIT PLAN:

Child Advocates of Silicon Valley, Inc. maintains a defined contribution plan covering employees meeting a minimum service requirement of 750 hours. Annual contributions, graduated up to 5% of compensation, are authorized by the Board and allocated based on compensation. Contributions to the plan are currently suspended.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4: PROPERTY AND EQUIPMENT

As of June 30, 2015 the cost of fixed assets and the related accumulated depreciation consisted of the following:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Furniture & Fixtures	\$ 116,516	\$ 75,716
Machinery & Equipment	19,612	19,613
Computer Equipment	50,404	47,433
Leasehold Improvements	<u>166,502</u>	<u>166,502</u>
Total Fixed Assets	353,034	309,264
Less: Accumulated Depreciation	<u>(300,704)</u>	<u>(295,443)</u>
Net Fixed Assets	<u>\$ 52,330</u>	<u>\$ 13,821</u>

Depreciation expense for the year ended June 30, 2015 was \$10,521 and for the year ended June 30, 2014 was \$7,169.

NOTE 5: IN-KIND CONTRIBUTIONS

Besides the contributed rent described below in Note 7, program contributions in-kind have also been recorded for the estimated fair market value of contributed services and donated equipment as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contributed Services	\$ 42,218	\$ 79,638
Contributed Supplies	254,335	138,081
Contributed Office Space	<u>153,815</u>	<u>154,235</u>
Total	<u>\$ 450,368</u>	<u>\$ 371,954</u>

The success of the Child Advocate program crucially depends on the time contributed by its dedicated volunteers. During the fiscal years ended June 30, 2015 and 2014, 575 and 481 unpaid advocates donated an estimated 140 hours each to the 735 and 629 children served. While generally accepted accounting principles preclude recording an amount in the financial statements for volunteer hours, a value can be estimated based on the rate provided by the Independent Sector of \$26.87 for 2015 and of \$26.34 for 2014. For these fiscal years, the respective values of contributed services are \$1,796,414 and 1,377,187 based on the number of active Advocates.

Donations of tickets to sports and entertainment events or venues estimated at \$11,704 for 2015 and \$6,119 for 2014 provided children in the program opportunities for outings not otherwise available to them. No amounts have been recorded in the financial statements for the value of these donated tickets as the Organization would not have purchased the tickets had they not been donated.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6: SPECIAL EVENTS

Child Advocates of Silicon Valley, Inc. conducts special events to provide additional revenue for its programs. During the last two fiscal years, the special events were as follows:

June 30, 2015	<u>Income</u>	<u>Expenses</u>	<u>Net Income</u>
Annual Gala	\$ 360,091	\$ 67,179	\$ 292,912
Golf Tournament	144,289	32,035	112,254
Other	<u>8,977</u>	<u>9,277</u>	<u>(300)</u>
Total Special Events	<u>\$ 513,357</u>	<u>\$ 108,491</u>	<u>\$ 404,866</u>
June 30, 2014	<u>Income</u>	<u>Expenses</u>	<u>Net Income</u>
Annual Gala	\$ 303,239	\$ 62,243	\$ 240,996
Golf Tournament	<u>147,145</u>	<u>37,358</u>	<u>109,787</u>
Total Special Events	<u>\$ 450,384</u>	<u>\$ 99,601</u>	<u>\$ 350,783</u>

The above schedule includes in-kind income and expenses of \$50,134 and \$37,977 for the years ended June 30, 2015 and 2014, respectively.

NOTE 7: LEASES

In October 2002, Child Advocates effectively entered into a rent-free lease with the Sobrato Foundation for office space at 509 Valley Way, Milpitas, California. The lease sets the base rent at \$1 per month. Since May 1, 2008, the office space is being rented on a month-to-month basis, although in the event that the premises are sold, the Organization has the option to commence paying a negotiated rent for its space. Since January 1, 2010, the previously contributed common area maintenance costs (CAM) are being partially paid at the monthly rate of \$1,994.76 with the balance of the monthly \$3,176.83 in CAM being contributed. Paid rent for the year ended June 30, 2015 amounted to \$23,949, and to \$23,949 for the year ended June 30, 2014. The difference between the reduced rent paid and the fair market value of the occupied space has been recognized in the financial statements as an in-kind contribution.

During the years ended June 30, 2015 and 2014, the Organization leased two photocopiers on a month-to-month basis.

NOTE 8: CONCENTRATION OF CREDIT RISK:

During the year, the Organization periodically maintains balances in excess of the FDIC/ SIPC coverage limit of \$250,000/ \$500,000. At June 30, 2015, the Organization had no uninsured cash balances.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9: ENDOWMENT FUND:

In accord with the California version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Child Advocates of Silicon Valley, Inc. records as a permanently restricted asset the original value of any contribution restricted by the donor to its endowment fund. The permanently restricted assets have been supplemented by additional assets designated by the Board to provide for the Organization's future financial security. The primary investment objectives of the Endowment Fund are long-term growth of assets while preserving capital.

NOTE 10: DATE OF MANAGERMENTS REVIEW

In preparing the financial statements, the Organization has evaluated subsequent events and transactions for potential recognition or disclosure through September 9, 2015, the date that the financial statements were available to be issued.



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Dress for Success San Jose Date: 02/01/2016

Address: 504 Valley Way
Street Address *Suite Number*

Milpitas Ca 95035
City *State* *ZIP Code*

Phone: 408-935-8299 Email: sanjose@dressforsuccess.org

Executive Director: Renee Surcouf

Project Manager (PM): Stephanie Young

PM's Phone: 408-935-8299 PM's Email: stephanie@dfssanjose.org

DUNS #: _____

Type of Agency: x 501 (c)(3)
 Government or Public Agency
 For - Profit
 Faith Based
 Other:

Project Category
(Check only one): Public Service
 x Economic Development

Agency's Mission: **The mission of Dress for Success San Jose is to empower women to achieve economic independence by providing a network of support, professional attire, and the development tools to help women thrive in work and life.**

Section B: Funding Request

Total funding requested for this project	\$ 10,000
Total cost of project	\$ 150,000
Other funds leverage for project i.e. Private Donations (estimation)	\$ 25,000
Other funds not secured by project	\$30,000
Are you getting County assistance, if so, please list	\$ 55,000

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

The City of Milpitas Community Development Block Grant's investment in Dress for Success San Jose will ensure our clients are job ready employees with the marketable skills to enter the workforce and maintain employment. As contributing members of the community our clients earned income will be re-invested locally and impact the local economy.

Support from the City of Milpitas Community Block Grant will allow Dress for Success San Jose to provide 800 women our vital career services. With this confidence to make a permanent transition from poverty to self-sufficiency 40% of our women become employed.

Dress for Success San Jose sustains its operations through the generosity of individual, corporate, and foundation donors. Dress for Success San Jose keeps constant contact with our community partner and individual donors, applies for multiple grants and is on track to host a fundraising event this year.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Dress for Success San Jose has not applied for the City of Milpitas Community Development Block Grant funding in the past.

Section C: Project Eligibility

Targeted Clientele: Unemployed or underemployed women

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

Benefit to Low and Moderate Income Persons or Households

Elimination of Slums and Blight

Urgent Need

Provide a concise description of the proposed project:

Dress for Success San Jose addresses and fulfills the needs of low-income women who have left welfare and are met with the challenge of entering the workforce. Funding from the City of Milpitas Community Development Block Grant will allow Dress for Success San Jose provides the following four part programs:

The Suiting Program - Clients arrive at Dress for Success San Jose by referral through a network of over 90 partner programs, including but not limited to, homeless shelters, domestic violence shelters and job training centers. Upon arrival at the boutique, our clients receive assistance from trained volunteer personal shoppers who help them select professional attire appropriate for a professional environment. Our clients receive a one-on-one consultation on how to present themselves professionally during a job interview.

The Going Places Network Program – Occurring three times a year, this program offers a nine week job search as well as a job mentorship program. Programming is focused on job search and career planning for our unemployed and under-employed women with an emphasis on self-development, confidence building and professional enhancement. The Going Places Network Job Search Program aims to be interactive by incorporating group discussions, networking, knowledge-sharing, relationship building and expertise.

The Professional Women's Group (PWG) - Launched in February 2015, Dress for Success San Jose's Professional Women's Group is an employment retention program that provides a support system to help guide women through their first years of career development in a safe, comfortable atmosphere. The PWG, which offers free membership to all Dress for Success San Jose clients who gain employment, provides an environment where women can share, grow and network with other clients who have recently made the same transition into the workforce. The PWG hosts monthly presentations by working professionals about workplace communication, corporate culture, financial literacy, career skill advancement and work life balance. Participation in the PWG facilitates our clients' permanent transition from poverty to self-sufficiency.

The Career Center - Dress for Success San Jose maintains a Career Center for all clients to enhance the skills that are necessary in seeking employment and promotions. The Career Center offers resume writing, editing, mentoring, interview skills practice, the ability to research job opportunities online, career plan development and more.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

Abused children

Elderly persons 62 years or older

Battered persons

Severely disabled adults (not children) as defined by the Census

Illiterate adults

Persons living with HIV/AIDS

Migrant farm workers

Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

Single Family (must be 100% LMI)

Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	521	815	17
2. Cost Per Client Annually	\$150.00	\$200.00	\$2,550.00
3. How many are low- and very-low income?	521	815	17
4. Will the proposed assistance result in increase in clients? State projected number.	86	815	50
5. What is the total number of unduplicated clients/households to be served?	86	815	50

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Dress for Success San Jose has not applied for Community Development Block Grant funding in the past.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Dress for Success San Jose works on referral bases through our partner programs. All client information is documented on a referral form including contact and demographical information which is to be completed by the client and their case manager. Upon receipt of the referral, clients will be seen in office and will complete a survey which addresses their satisfaction along with the status of their employment. Data from both forms is kept on our online data base to manage and track at a later date. In order to measure the success of our clients Dress for Success San Jose maintains accurate records of:

- **Number of clients served, organized by ethnic group and age**
- **Number of clients referred by each partner agency**
- **Number of clients who gain employment**
- **Number of clients who retain employment for more than one year**
- **Number of clients who experience promotions and / or salary increases**
- **Number of clients who participate in the PWG**
- **Growth of volunteer force**

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

Dress for Success San Jose clients join our program by referral through a network of over 90 partner programs, including but not limited to, homeless shelters, domestic violence shelters and job training centers. It is our goal to recruit referral

agencies based in Milpitas to increase our number of clients served. Dress for Success San Jose host both an in person meeting and boutique visit where we communicate the details of our programs to all partners. Once partnership is place Dress for Success San Jose stays in constant contact with all partners to ensure client referrals.

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Dress for Success San Jose

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	\$300	Walmart Foundation \$2,500	\$65,000	County of Santa Clara \$38,670
Benefits	\$300	Cisco Grant Foundation \$2000	\$2,500	County of Santa Clara \$1,731
Rent	\$1250	Gordon and Betty Moore Foundation \$5,000	\$10,000	County of Santa Clara \$5,086
Telephone	\$1250	Gordon and Betty Moore Foundation \$5,000	\$2,500	0
Postage	\$600	Cisco Grant Foundation \$1000	\$1,000	0
Printing (including Ads)	\$1500	KLA- Tencor Foundation \$2,500	\$2,500	County of Santa Clara \$1,240
Supplies	\$2500	Bank of America Foundation \$5,000	\$3,500	County of Santa Clara \$2,500
Travel	\$100	Cisco Grant Foundation \$1000	\$1,000	0
Utilities	\$300	0	0	0
Equipment & Maintenance	\$1000	Los Gatos Community Foundation \$2,500	\$6,000	County of Santa Clara \$1,000
Dues & Subscriptions	0	0	0	0
Accounting Services	0	0	\$500	0
Contract Services	0	Cisco Grant Foundation \$1000	0	0
Insurance	\$300	Cisco Grant Foundation \$2000	\$3000	0
Conference	\$100	0	\$3000	0
Miscellaneous	\$500	0	\$500	County of Santa Clara \$4,773
TOTAL	\$10,000	\$28,500	\$101,000	\$55,000

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: _____ Dress For Success San Jose _____

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Stephanie Young, Program Coordinator	60%	Suiting Program	Manage the boutique to ensure clients receive assistance from trained volunteer personal shoppers to help them select professional attire and one-on-one consultation on how to present themselves professionally.
Stephanie Young, Program Coordinator	10%	Going Places Network	Manage 9 week job search and mentorship program as a retention tool for our women who need assistance in obtaining employment.
Stephanie Young, Program Coordinator	20%	Professional Women's Group	Manage and facilitate monthly employment retention program to provide a support to help guide women during their first year of employment.
Stephanie Young, Program Coordinator	10%	Career Center	Manage Career Center for all clients to enhance the skills that are necessary in seeking employment and promotions.
Abigail Cruz Meadows, Client Services Coordinator	50%	Suiting Program	Assist Program Coordinator to uphold the integrity of the program by acting as the liaison for all clients, volunteers and program assistants.
Abigail Cruz Meadows, Client Services Coordinator	30%	Going Places Network	Facilitate the 9 week job search and mentorship program and act as liaison between clients and Program Coordinator
Abigail Cruz Meadows, Client Services Coordinator	10%	Professional Women's Group	Assist the Program Coordinator by coordinating monthly communication with all members.
Abigail Cruz Meadows, Client Services Coordinator	10%	Career Center	Assist Program Coordinator to uphold the integrity of the program by acting as the liaison for all clients, volunteers and program assistants.

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Project Name: Dress for Success San Jose _____

Project Coordinator: Stephanie Young _____

Program Year 2016-17
 Date Prepared: 02/01/2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Suiting Program	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Going Places Network	Cohort 2 Ends		Cohort 3 Begins		Cohort 3 Ends			Cohort 1 Begins		Cohort 1 Ends	Cohort 2 Begins	
Professional Women's Group	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Career Center	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule? Yes No Schedule

Prepared By Stephanie Young Title Program Coordinator

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Dress For Success San Jose

Date: 02/05/2016

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Benefits	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Rent	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$106	\$1,250
Telephone	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$106	\$1,250
Postage	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Printing (incl. Ads)	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500
Supplies	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$212	\$2,500
Travel	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$12	\$100
Utilities	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Equip./Maintenance	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$87	\$1,000
Dues & Subscriptions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounting Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Conference	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$12	\$100
Miscellaneous	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$49	\$500
TOTAL	\$831	\$831	\$831	\$831	\$831	\$831	\$831	\$831	\$831	\$831	\$831	\$859	\$10,000



Going Places. Going Strong.

Board Resolution

Original
 Amendment #

Full Name of Organization
Dress for Success San Jose

Name and Title of the Person Authorized to Sign Agreement
Renee Surcouf, Executive Director

of the above- named on behalf of the organization is allowed to negotiate, sign, execute and contractually bind the organization including signing contracts, grant agreements, invoices, checks, reports, applications and all other business related documents for City of Milpitas CDBG funding and all amendments there to effective for the fiscal year 2016-17.

Certification

I, the Recording Secretary named below, hereby certify that the foregoing resolution was duly and regulatory adopted by the Board of Directors of above - named organization at a meeting of said Board regularly called and convened at which a quorum of said Board of Directors was present and voting, and that said resolution was adopted by a vote of the majority of all Directors present at said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand as Recording Secretary of said corporation or public agency.

Address Where Board Meeting Held
**222 Kearney Ave. Ste 200
San Francisco Ca, 94108**

Date of Board Meeting

Signature of Recording Secretary

Date Signed

2/8/2016

2/8/2016

		
2015 Financial Statement		
Income	Total	
Donations - Individuals	8,384.94	6.70%
Contributions - Corporate	6,906.86	5.50%
Foundations / Grants	57,519.00	45.80%
Government	51,515.11	41.00%
Clothing Sale & Consignment	900.00	0.70%
Other (Reimbursements)	394.00	0.30%
Total Monetary Donations	125,619.91	
In Kind Contributions- Products	\$10,000	
Total Income	\$ 135,619.91	100%
OPERATIONAL/ ADMINISTRATIVE EXPENSES		
Rent/ Occupancy	1,813.10	25%
Fringe Benefits- Medical/Dental	479.79	75%
IT	513.13	25%
Equipment Purchase & Maintenance	501.92	25%
Postage / Shipping	182.40	25%
Supplies	1,235.00	25%
Telecommunications	545.96	25%
Dues	125.00	25%
Conferences & Training	361.04	25%
Travel & Parking	96.78	25%
Advertising/ Outreach/ Event	351.02	25%
Total Admin Expenses	6,205.14	9%
PROGRAM EXPENSES		
Rent/ Occupancy	5,439.30	75%
Program Coordinator Salary	31,163.79	100%
Fringe Benefits- Medical/Dental	159.93	25%
Stationery & Printing	547.64	100%
Equipment Purchase & Maintenance	1,505.78	75%
Dues	375.00	75%
Conference/ Training	1,083.11	75%
IT	1,539.37	75%
Supplies	3,705.03	75%
Postage/Shipping	547.21	75%
Advertising/ Outreach/ Event	1,053.08	75%
Telecommunications	1,637.89	75%
Travel & Parking	290.34	75%
Boutique Fixtures	2,050.78	100%
GPN	5,099.75	100%
Professional Women's Group	3,076.24	100%
Volunteer Program	1,114.38	100%
Suiting Program	5,749.78	100%
Total Program Expenses	66,138.40	91%
TOTAL EXPENSES	72,343.54	
NET ORDINARY INCOME	\$63,276.37	
NET ASSESTS	\$ 322,181.58	

Prepared according to generally accepted accounting principles



Budget Overview: DFS San Jose - FY15

January - December 2016

INCOME

Individual Donations	10,000
Corporate Sponsorship	10,000
Foundations/ Grants	70,000
Special Events	10,000
Government	50,000
Total Income	150,000

EXPENSES		Admin/Operational		Program		TOTAL
		%	\$	%	\$	
Rent	10,000	25%	2,500	75%	7,500	10,000
Salary- Program Coordinator	40,000		-	100%	40,000	40,000
Salary- Client Services Coordinator	25,000			100%	25,000	25,000
Payroll Fees & Taxes	1,000	25%	250	75%	750	1,000
Accounting Fees	500	100%	500	0%	-	500
Legal Fees	500	100%	500	0%	-	500
D&O Insurance Fees	2,000	25%	500	75%	1,500	2,000
Medical Benefits	2,500	75%	625	25%	1,875	2,500
Professional Services	2,500	75%	625	25%	1,875	2,500
Taxes & Licenses	5,000	75%	3,750	25%	1,250	5,000
Bank & Credit Card Fees	500	75%	375	25%	125	500
Equipment Purchase & Maintenance	1,000	25%	250	75%	750	1,000
IT Hardware/ Software	2,500	25%	625	75%	1,875	2,500
Repairs and Maintenance	2,500	25%	625	75%	1,875	2,500
Postage / Shipping	1,000	25%	250	75%	750	1,000
Office Supplies	3,500	25%	875	75%	2,625	3,500
Telecommunications	2,500	25%	625	75%	1,875	2,500
Dues	500	25%	125	75%	375	500
Conferences/ Training	3,000	25%	750	75%	2,250	3,000
Travel- Parking/ Toll	1,000	25%	250	75%	750	1,000
Publications & Printing	2,500	25%	625	75%	1,875	2,500
Public Relations/ Outreach/ Events	10,000	25%	2,500	75%	7,500	10,000
Volunteer Program	2,500	0%	-	100%	2,500	2,500
GPN Program	15,000	0%	-	100%	15,000	15,000
PWG Program	10,000	0%	-	100%	10,000	10,000
Boutique Fixtures	2,500	0%	-	100%	2,500	2,500
Miscellaneous Expenses	500	0%	-	100%	500	500
	150,000		17,125		132,875	150,000
			11%		89%	

* Events refer to both fundraising & volunteer events

Approved by Board of Directors 1.12.16



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
Fresh Lifelines for Youth (FLY) Proposal - Table of Contents

Application for Funding.....1-6

Exhibits

 Exhibit A – Project Funding.....7-8

 Exhibit B – Project Work Plan.....9-10

 Exhibit C – Activity Time Schedule.....11-12

 Exhibit D – Monthly Project Budget.....13-14

Audited Financial Statement 1-18

Please Note: *As discussed with City staff, FLY is requesting a board resolution be signed at its upcoming board meeting and will submit to the City of Milpitas upon receipt.*



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Fresh Lifelines for Youth (FLY) Date: 2/4/16

Address: 568 Valley Way
Street Address *Suite Number*

Milpitas CA 95035
City *State* *ZIP Code*

Phone: (408) 386-7387, Katie Clark, Director of Grants Management Email: katie@flyprogram.org

Executive Director: Christa Gannon

Project Manager (PM): Randi Perry

PM's Phone: (408)643-2056 PM's Email: randi@flyprogram.org

DUNS #: 072153450

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

FLY's mission is to prevent juvenile crime and incarceration through legal education, leadership training, and one-on-one mentoring. FLY's vision is that our most marginalized and under-served youth will gain the life skills and character needed to exit or avoid the criminal justice system and transform from delinquent youth to positive community leaders.

Section B: Funding Request

Total funding requested for this project	\$ 20,000.00
Total cost of project	\$ 397,227.28
Other funds leverage for project i.e. Private Donations (estimation)	\$ 377,227.00
Other funds not secured by project	\$ --
Are you getting County assistance, if so, please list	\$ 80,000

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

These funds will allow FLY to target at-risk youth residents of Milpitas. This work will be difficult without CDBG funding. Because FLY's Law Program operates on a 12-week, semester basis, we could do one semester as opposed to two semesters if not funded in full. FLY will be leveraging other funding to make the project work at the requested amount, as outlined above.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Yes, FLY applied for CDBG funding last fiscal year. Due to an administrative scheduling error, FLY missed the oral presentation time and therefore was not awarded CDBG funding last year. However, the City Council recognized the value of FLY's Law Program and we did receive \$5,000 in non-CDBG funding toward carrying out our project in Milpitas.

FLY also received CDBG funding as listed below from the City of San Jose.

FY 08 – 09: \$72,522
FY 09 – 10; \$72,522
FY 10 – 11; \$97,522
FY 11 – 12; \$81,902

Section C: Project Eligibility

Targeted Clientele: FLY is dedicated to breaking the cycle of violence, crime, and incarceration of teens, ages 15-18, involved in the juvenile justice system, at-risk of involvement, or attending community schools.

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

The **Law Program** is an innovative legal education course taught in 2-hour class sessions over a 12-week period conducted in community centers, community schools, and juvenile hall facilities by volunteer law and university students, community professionals, and FLY staff. Milpitas CDBG funding would allow FLY to offer the program at Cal Hills High School for predominately low-income Milpitas residents.

FLY's nationally recognized law curriculum, sponsored in part by the Office of Juvenile Justice and Delinquency Prevention (OJJDP) law-related education research, is an interactive and evidence-informed program that uses role-play, debates, mock trials, and city council meetings to capture youth interest by educating them about the law and consequences of crime. Examples of course topics include assault, theft, vandalism, drugs, gangs, and the 3-Strikes law. Research shows that youth who know more about the law are less likely to break the law and although FLY youth have had many encounters with the legal system, they often have no idea how the legal system works and what their rights and responsibilities are under the law. The Law Program teaches about our justice system and our youth's role in society.

The course also inspires youth to change their behavior and fosters pro-social behaviors and skills such as empathy, anger management, non-violent conflict resolution, resisting negative peer pressure, and problem solving to make change possible. Youth take a field trip to a local university where they tour the campus, learn about college, and act out a trial in the university's moot courtroom. Lawyers, judges, police officers, and probation officers are invited to attend as guest speakers to share their experience and perspective. The program culminates with a recognition ceremony for youth, their families, and friends.

FLY believes that all our children deserve a chance to become more than their past mistakes. Dedicated to breaking the cycle of violence, crime, and incarceration of teens, FLY provides innovative outcome-based and research-informed legal education that inspires and empowers youth to alter the trajectory of their lives thereby creating safer communities for us all.

CDBG Criteria: What criteria does your proposed project meet?

- (1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)
- (2) Limited Clientele (select from the options below):
 - (a) Special needs group
 - Abused children
 - Elderly persons 62 years or older
 - Battered persons
 - Severely disabled adults (not children) as defined by the Census
 - Illiterate adults
 - Persons living with HIV/AIDS
 - Migrant farm workers
 - Homeless persons
 - (b) At least 51% of clientele to be served will be documented as LMI
- (3) Housing (select from the options below):
 - Single Family (must be 100% LMI)
 - Multi-unit (must be 51% LMI)
- (4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	200	230	12
2. Cost Per Client Annually	\$400-800	\$400-800	12
3. How many are low- and very-low income?	90%	75%	75%
4. Will the proposed assistance result in increase in clients? State projected number.	--	30	28
5. What is the total number of unduplicated clients/households to be served?	--	230	40

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

In the past, FLY has utilized CDBG funding from the City of San Jose to support staff salaries. We would use Milpitas CDBG to support staff salaries, including our Law Program Manager, Site Manager, and Coordinator who will be providing direct services to Milpitas youth.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

FLY's reputation as a valued and trusted partner results from our commitment to be data-driven and outcome-accountable. FLY has invested in a comprehensive web-based database, Efforts to Outcomes (ETO), and worked with professional evaluators to track the impact it has with clients.

In order to best serve our clients and track demographics, ETO serves as the primary documentation tool. FLY uses a baseline assessment (BLA) that is a weighted survey instrument designed to gather critical information (including demographic data) from youth participating in our Law Program. FLY utilizes this data to gain a deeper understanding of target population, including risk and trauma. FLY relies on the BLA to help make programmatic placements and generate individual service plans for youth based on risk and need. All survey tools can be made available upon request.

FLY targets youth, ages 15-18, involved in the juvenile justice system, at-risk of involvement, or attending community schools. Historically, 82% of Law Program clients are high-risk adjudicated youth and have the following characteristics: **Age Range:** 15-18; **Gender:** 70% male, 30% female; **Ethnic Composition:** 55% Latino/Hispanic, 30% Caucasian, 5% Asian, 3% Black, and 7% Other; **Socioeconomic Level:** 90% of the clients are low-income and qualify for either free legal services or free school lunches; **Special Needs:** 78% have experienced significant trauma; 56% have been victims of physical violence and 40% have learning disabilities.

FLY successfully documents and reports on income levels and race/ethnicity in accordance with CDBG regulations and will implement additions or modifications to data collection efforts to make sure we align with the current needs of the City of Milpitas and the Federal Government if needed.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

FLY's Law Program hosts sites at alternative/community schools for students who have not been successful in mainstream schools (i.e. were expelled, are on probation, etc.) throughout the County of Santa Clara. FLY just began providing the Law Program at Cal Hills in Milpitas in the Fall 2015 semester. Students are referred to the class by teachers and school administrators. In the Spring 2016 semester, in order to reach more Milpitas students, FLY has opened the Cal Hills site to students from Milpitas High School who have been referred by their principal. We hope to continue to serve at-risk Milpitas youth next year via CDBG funding. Each of our current sites has an average semester enrollment of 15-25 youth participants. Next year, we anticipate hosting two semesters, serving approximately 40 youth under this contract.

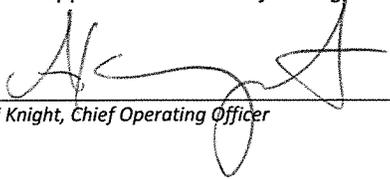
Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.


Ali Knight, Chief Operating Officer

2/4/16
Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Law Program

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Salary	\$20,000.00	\$212,475.00	\$232,475.00	City of San Jose, Private Foundations, Individual Donations
Payroll Taxes		\$27,491.75	\$27,491.75	City of San Jose, Private Foundations, Individual Donations
Benefits		\$25,804.73	\$25,804.73	City of San Jose, Private Foundations, Individual Donations
Professional Fees		\$5,576.63	\$5,576.63	City of San Jose, Private Foundations, Individual Donations
Accounting Fees		\$11,152.67	\$11,152.67	City of San Jose, Private Foundations, Individual Donations
PL / Intern Stipends		\$16,000.00	\$16,000.00	City of San Jose, Private Foundations, Individual Donations
Occupancy Costs		\$15,633.81	\$15,633.81	City of San Jose, Private Foundations, Individual Donations
Telephone		\$3,204.48	\$3,204.48	City of San Jose, Private Foundations, Individual Donations
Conferences/Meetings		\$3,246.10	\$3,246.10	City of San Jose, Private Foundations, Individual Donations
Vol. Training		\$3,900.00	\$3,900.00	City of San Jose, Private Foundations, Individual Donations
Transportation		\$6,072.36	\$6,072.36	City of San Jose, Private Foundations, Individual Donations
Field Trip Expenses		\$2,000.00	\$2,000.00	City of San Jose, Private Foundations, Individual Donations

Program Activities Expense		\$2,500.00	\$2,500.00	City of San Jose, Private Foundations, Individual Donations
Equipmt. Rental/Comp Mntce.		\$2,247.30	\$2,247.30	City of San Jose, Private Foundations, Individual Donations
Program Supplies-Specialized		\$3,840.00	\$3,840.00	City of San Jose, Private Foundations, Individual Donations
Program Food		\$5,760.00	\$5,760.00	City of San Jose, Private Foundations, Individual Donations
Graduation Expenses		\$10,000.00	\$10,000.00	City of San Jose, Private Foundations, Individual Donations
Team Building Expenses		\$2,014.24	\$2,014.24	City of San Jose, Private Foundations, Individual Donations
Program Supplies- Basic		\$1,082.03	\$1,082.03	City of San Jose, Private Foundations, Individual Donations
Capital Expense		\$5,565.15	\$5,565.15	City of San Jose, Private Foundations, Individual Donations
Recruiting/Vol Appreciation		\$4,456.00	\$4,456.00	City of San Jose, Private Foundations, Individual Donations
Insurance Expense		\$3,828.73	\$3,828.73	City of San Jose, Private Foundations, Individual Donations
License Fees/Other Taxes		\$83.23	\$83.23	City of San Jose, Private Foundations, Individual Donations
Prof Dues & Subscriptions		\$2,293.08	\$2,293.08	City of San Jose, Private Foundations, Individual Donations
Youth Advisory Counsel/Speech Committee		\$1,000.00	\$1,000.00	City of San Jose, Private Foundations, Individual Donations
TOTAL	\$20,000.00	\$377,227.28	\$397,227.28	

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-2016

Project Name: Law Program

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Law Program Site Manager	100.00%	Facilitator Recruitment, Interview, and Selection; Conduct Site Visits; Field Trip; Recognition Ceremony	Select at least 3 high quality facilitators to deliver Law Program curriculum at eat site; Provide 32 hours of training to new facilitators; Visit each site a minimum of two times each semester during the 12 week program; Provide constructive feedback to facilitators; Give students the opportunity to build empathy for the juvenile justice system; expose students to college campus; Celebrate completion of law program; honor the strengths of each students; provide opportunity for the community to support students
Law Program Assistant	100.00%	Field Trip, Recognition Ceremony, Facilitation	Teach Law Related Education program, Prepare supplies for events, Order meals and snacks for site and for events
SCC Assistant/Coordinator	100.00%	Field Trip, Recognition Ceremony	Secure facilities for events, Arrange for transportation for events
Law Program Manager	35.00%	Train volunteer law facilitators to deliver curriculum; Ensure program quality and integrity	Provide 32 hours of training to new facilitators, Provide program oversight
Evaluation and Learning Analyst #1	20.00%	Collects assessment and demographic data	Reporting requirements
Director of Programs	15.00%	Directs management team and oversees organization-wide programs	Program alignment
Evaluation and Learning Analyst #2	15.00%	Collects assessment and demographic data	Reporting requirements

Director of Evaluation and Learning	15.00%	Manages database used to track all program participants and volunteers, including monitoring outcome data	Reporting quality and compliance
Chief Operating Officer	10.00%	Meets and directs all directors and leads development of budget and contracts	Effective and efficient operations of a \$5M organization
Director of Government Affairs	15.00%	Government fund and partnership development and contract monitoring and execution.	Develops opportunities to apply programmatic throughout the community and maintains relationships with governmental partners
Director of Talent	15.00%	Recruits, hires, trains, and develops all programmatic staff	Develops a healthy talent pipeline and makes sure all staff are trained on youth development theories and programmatic application
Chief Executive Officer	1.00%	Chief fundraiser	Finds ways to support programs and leverage private dollars to execute programs in accordance with agency mission
COO/Executive Admin	7.50%	Schedules all meetings and secures meeting locations	Supports Chief Operating Officer and team of directors
Director of Finance and Ops	0.75%	Develops budgets and invoices	Fiscal responsibility and oversight
Operations Manager	10.00%	Ongoing implementation of operational protocols and tech maintenance	Makes sure staff have the appropriate technology to effectively do their jobs

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-2017
 Date Prepared: 2/4/16
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Law Program
 Project Coordinator: Randi Perry

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Facilitator Recruitment, Interview, and Selection		X	X				X					
Facilitator Training (1 weekend per month)			X	X	X		X	X	X			
Law Related Education Curriculum delivery to students (1 time per week, 2 hours, 12 weeks)			X	X	X	X		X	X	X	X	
Field Trip (Santa Clara University Mock Trial or similar) 1 time per semester				X					X			
Recognition Ceremony to celebrate program completion						X					X	

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Randi Perry Title Law Program Manager

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Law Program

Date: 2/4/16

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Salary	\$19,372.92	\$19,372.92	\$19,372.92	\$19,372.92	\$19,372.92	\$19,372.92	\$19,372.92	\$19,372.92	\$19,372.92	\$19,372.92	\$19,372.92	\$19,372.92	\$232,475.04
Payroll Taxes	\$2,290.98	\$2,290.98	\$2,290.98	\$2,290.98	\$2,290.98	\$2,290.98	\$2,290.98	\$2,290.98	\$2,290.98	\$2,290.98	\$2,290.98	\$2,290.98	\$27,491.76
Benefits	\$2,150.39	\$2,150.39	\$2,150.39	\$2,150.39	\$2,150.39	\$2,150.39	\$2,150.39	\$2,150.39	\$2,150.39	\$2,150.39	\$2,150.39	\$2,150.39	\$25,804.68
Professional Fees	\$464.72	\$464.72	\$464.72	\$464.72	\$464.72	\$464.72	\$464.72	\$464.72	\$464.72	\$464.72	\$464.72	\$464.72	\$5,576.64
Accounting Fees	\$929.39	\$929.39	\$929.39	\$929.39	\$929.39	\$929.39	\$929.39	\$929.39	\$929.39	\$929.39	\$929.39	\$929.39	\$11,152.68
PL / Intern Stipends	\$1,333.33	\$1,333.33	\$1,333.33	\$1,333.33	\$1,333.33	\$1,333.33	\$1,333.33	\$1,333.33	\$1,333.33	\$1,333.33	\$1,333.33	\$1,333.33	\$15,999.96
Occupancy Costs	\$1,302.82	\$1,302.82	\$1,302.82	\$1,302.82	\$1,302.82	\$1,302.82	\$1,302.82	\$1,302.82	\$1,302.82	\$1,302.82	\$1,302.82	\$1,302.82	\$15,633.84
Telephone	\$267.04	\$267.04	\$267.04	\$267.04	\$267.04	\$267.04	\$267.04	\$267.04	\$267.04	\$267.04	\$267.04	\$267.04	\$3,204.48
Conferences/Meetings	\$270.51	\$270.51	\$270.51	\$270.51	\$270.51	\$270.51	\$270.51	\$270.51	\$270.51	\$270.51	\$270.51	\$270.51	\$3,246.12
Vol. Training		\$975.00	\$975.00				\$975.00	\$975.00					\$3,900.00
Transportation	\$506.03	\$506.03	\$506.03	\$506.03	\$506.03	\$506.03	\$506.03	\$506.03	\$506.03	\$506.03	\$506.03	\$506.03	\$6,072.36
Field Trip Expenses				\$1000.00					\$1000.00				\$2,000.00
Program Activities Expense		\$416.67		\$416.67		\$416.67		\$416.67		\$416.67		\$416.67	\$2,500.02
Equip. Rental/Comp Mtce.	\$187.27	\$187.27	\$187.27	\$187.27	\$187.27	\$187.27	\$187.27	\$187.27	\$187.27	\$187.27	\$187.27	\$187.27	\$2,247.24

Program Supplies-Specialized	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$3,840.00
Program Food	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$720.00	\$5,760.00
Graduation Expenses																		\$10,000.00
Team Building Expenses	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$167.85	\$2,014.20
Program Supplies- Basic	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$90.17	\$1,082.04
Capital Expense	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$463.76	\$5,565.12
Recruiting/Vol Appreciation		\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$742.67	\$4,456.02
Insurance Expense	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$319.06	\$3,828.72
License Fees/Other Taxes	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$83.28
Prof Dues & Subscriptions	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$191.09	\$2,293.08
Youth Advisory Counsel/Speech Committee	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$999.96
TOTAL	\$31,437.60	\$33,571.94	\$31,692.60	\$36,096.94	\$33,937.60	\$31,876.94	\$32,412.60	\$33,571.94	\$34,217.60	\$35,096.94	\$31,437.60	\$31,876.94	\$31,437.60	\$31,876.94	\$31,437.60	\$31,876.94	\$31,876.94	\$397,227.28

FRESH LIFELINES FOR YOUTH, INC.

AUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2014**

**IZABAL, BERNACIAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

FRESH LIFELINES FOR YOUTH, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2014

TABLE OF CONTENTS

<u>Financial Statements</u>	<u>Page</u>
Independent Auditor's Report.....	1-2
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-16
<u>Supplementary Information</u>	
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 <i>Government Auditing Standards</i>	17-18

IZABAL, BERNACIAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

388 Market Street, Suite 888
San Francisco, California 94111

Tel. (415) 896-5551
Fax (415) 896-0584

INDEPENDENT AUDITOR'S REPORT

Board of Directors
FRESH LIFELINES FOR YOUTH, INC.
Milpitas, California

Report on Financial Statements

We have audited the accompanying financial statements of Fresh Lifelines for Youth, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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 Fresh Lifelines for Youth, Inc. as of June 30, 2015, 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 October 15, 2015, on our consideration of Fresh Lifelines for Youth, 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 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 Fresh Lifelines for Youth, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Fresh Lifelines for Youth, Inc.'s 2014 financial statements, and our report dated November 5, 2014, expressed an unqualified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it was derived.



San Francisco, California
October 15, 2015

FRESH LIFELINES FOR YOUTH, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015 WITH SUMMARIZED
COMPARATIVE TOTALS FOR JUNE 30, 2014

	2015	2014
Assets:		
Cash and Cash Equivalents	\$ 752,399	\$ 1,151,441
Investments, at fair value (See Note 3)	2,633,000	2,273,241
Grants and Contracts Receivable (See Note 4)	862,662	1,010,296
Prepaid Expenses	47,193	46,114
Deposits	9,611	7,764
Property and Equipment (net of accumulated depreciation of \$362,791 and \$347,016, respectively)	19,135	34,910
TOTAL ASSETS	\$ 4,324,000	\$ 4,523,766
 Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 46,671	\$ 103,120
Accrued Expenses	256,657	243,913
Deferred Revenue (See Note 6)	0	31,200
Total Liabilities	303,328	378,233
 Net Assets:		
Unrestricted:		
Undesignated	2,605,402	1,823,875
Fixed Assets Purchased with Grant Funds	11,070	19,780
Total Unrestricted	2,616,472	1,843,655
Temporarily Restricted (See Note 10)	1,404,200	2,301,878
Total Net Assets	4,020,672	4,145,533
TOTAL LIABILITIES AND NET ASSETS	\$ 4,324,000	\$ 4,523,766

See notes to financial statements

FRESH LIFELINES FOR YOUTH, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015 WITH SUMMARIZED
COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Unrestricted	Temporarily Restricted	Totals	Totals
<u>SUPPORT AND REVENUE</u>				
Public Support:				
Government grants	\$ 826,723	\$ 0	\$ 826,723	\$ 823,975
Contributions:				
Foundations	0	1,698,500	1,698,500	2,700,733
Corporations	0	100,560	100,560	100,000
Misc. Income/Donation	5,703	0	5,703	0
In-Kind	181,413	0	181,413	178,327
Individuals (See Note 10)	561,599	0	561,599	708,256
Special Event Fundraiser	409,361	0	409,361	385,655
Direct Expenses	(69,858)	0	(69,858)	(60,719)
Special Event Fundraiser, net	<u>339,503</u>	<u>0</u>	<u>339,503</u>	<u>324,936</u>
Total Support	<u>1,914,941</u>	<u>1,799,060</u>	<u>3,714,001</u>	<u>4,836,227</u>
Revenue:				
Program Service Fees - Fee for Service Contracts	251,405	0	251,405	271,000
Investment Income (See Note 3)	59,388	0	59,388	81,540
Unrealized Gain/(Loss) on Sale of Investment (See Note 3)	(88,174)	0	(88,174)	73,857
Total Revenue	<u>222,619</u>	<u>0</u>	<u>222,619</u>	<u>426,397</u>
Net Assets released from:				
Satisfaction of restrictions	<u>2,696,738</u>	<u>(2,696,738)</u>	<u>0</u>	<u>0</u>
Total Support and Revenue	<u>4,834,298</u>	<u>(897,678)</u>	<u>3,936,620</u>	<u>5,262,624</u>
<u>EXPENSES</u>				
Program Services	3,183,352	0	3,183,352	3,037,425
Supporting Services				
Management and General	342,543	0	342,543	343,072
Fundraising	526,876	0	526,876	455,542
Total Expenses	<u>4,052,771</u>	<u>0</u>	<u>4,052,771</u>	<u>3,836,039</u>
CHANGES IN NET ASSETS (See Note 8)	781,527	(897,678)	(116,151)	1,426,585
Net Assets, Beginning of Year	1,843,655	2,301,878	4,145,533	2,712,560
Fixed Assets Purchased with Grant Funds	0	0	0	16,213
Depreciation on Fixed Assets Purchased with Grant Funds	(8,710)	0	(8,710)	(9,825)
NET ASSETS - AT END OF YEAR	<u>\$ 2,616,472</u>	<u>\$ 1,404,200</u>	<u>\$ 4,020,672</u>	<u>\$ 4,145,533</u>

See notes to financial statements

FRESH LIFELINES FOR YOUTH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015 WITH SUMMARIZED
COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	Program Services	Management and General	Fundraising	Totals	Totals
Salaries	\$ 1,936,258	\$ 189,131	\$ 359,297	\$ 2,484,686	\$ 2,199,075
Employee benefits	237,976	22,665	40,664	301,305	267,386
Payroll Taxes	159,016	15,577	29,322	203,915	209,463
Professional Fees	62,790	3,698	7,503	73,991	224,726
Fiscal/Auditor Fees	33,548	75,375	4,789	113,712	77,134
Stipends and Scholarships	17,974	155	338	18,467	19,107
Occupancy	49,470	1,756	3,517	54,743	57,353
Youth Advisory/Speech Committee	8,361	492	1,197	10,050	9,003
Telephone	27,499	1,579	3,472	32,550	35,930
Conferences and Meetings	30,342	1,808	7,590	39,740	17,328
Travel/Mileage	71,647	(137)	4,347	75,857	88,572
Office Supplies	12,367	746	1,523	14,636	10,507
Printing and Publications	68,574	4,030	15,933	88,537	34,488
Equipment Rental and Maintenance	52,595	3,098	6,249	61,942	127,676
Insurance	19,044	1,060	2,243	22,347	23,982
In-kind Professional Fees	25,911	1,524	3,048	30,483	26,000
In-kind Rent	121,069	7,122	14,243	142,434	133,998
Other In-kind Expenses	7,210	428	858	8,496	18,329
Program Activities and Training	139,086	51	100	139,237	157,587
Program Supplies	22,264	231	12,227	34,722	29,325
Miscellaneous	74,863	12,154	6,840	93,857	62,354
Depreciation	5,488	0	1,576	7,064	6,716
Total Functional Expenses	\$ 3,183,352	\$ 342,543	\$ 526,876	\$ 4,052,771	\$ 3,836,039

See notes to financial statements

FRESH LIFELINES FOR YOUTH, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets (See Note 8)	\$ (116,151)	\$ 1,426,585
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Dividends Reinvested	(27,440)	(28,496)
Unrealized (Gain)/Loss on Investments	88,174	(45,361)
Contributed Stock	(238,644)	0
Depreciation	7,064	6,716
<i>Decrease/(increase) in assets:</i>		
Grants and Contracts Receivable, net	147,634	(593,046)
Prepaid Expenses	(1,079)	(19,121)
Deposits	(1,847)	882
<i>Increase/(decrease) in liabilities:</i>		
Accounts Payable	(56,449)	52,953
Accrued Expenses	12,744	4,602
Deferred Revenue	(31,200)	31,200
Net Cash Provided (Used) by Operating Activities	(217,194)	836,914
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(2,495,000)	(281,367)
Proceeds from Sale of Investments	2,313,152	225,189
Net Cash Provided (Used) by Investing Activities	(181,848)	(56,178)
Net Increase/(Decrease) in Cash and Cash Equivalents	(399,042)	780,736
CASH AND CASH EQUIVALENTS, beginning of year	1,151,441	370,705
CASH AND CASH EQUIVALENTS, end of year	\$ 752,399	\$ 1,151,441
Supplemental Disclosure:		
Interest paid	\$ 0	\$ 0

See notes to financial statements

**FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1: ORGANIZATION

FLY is currently operating in Santa Clara and San Mateo and now, Alameda County. Working with juvenile justice youth and those at-risk of entering the system, FLY's mission is to prevent juvenile crime and incarceration through legal education, leadership training and one-on-one mentoring.

Fresh Lifelines for Youth, Inc. (FLY) is a California non-profit public benefit corporation founded in 1998 and incorporated on April 24, 2000 to prevent juvenile crime and incarceration. FLY believes that all our children deserve the chance to become more than their past mistakes.

Many children who end up in the juvenile justice system often do not get that chance and they do not have the knowledge, skills or support they need to lead productive lives. They often believe that by the time they are 18, they will be in prison or dead. But, it doesn't have to be this way. FLY provides legal education, leadership development and mentoring to youth, builds a community who will support their healthy development and helps our juvenile justice systems be more effective and humane. As a result, FLY works collaboratively with all our system partners to actively engage in system reform efforts, and FLY is often asked to take a leadership role in local detention reform work. Together we inspire our at-risk youth and give them a chance to transform from juvenile delinquents into positive community leaders, creating a safer, healthier and happier community for us all.

Programs

Currently FLY's main programs include:

Law Program

Brief Description

A semester-long legal education and life skills course that teaches youth who are involved in or at risk of becoming involved in the juvenile justice system about the law and consequences of crime. Our nationally recognized law curriculum uses role-plays, debates, and mock trials to capture youth interest and foster the development life skills such as anger management, problem solving, empathy, and the ability to resist negative peer pressure. FLY's Law Program encourages even the highest-risk youth to envision a positive future.

**FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1: ORGANIZATION (continued)

Leadership Training Program

Brief Description

At the end of the Law Program, youth who need additional support to change their lives can join the Leadership Training Program. During the program year, youth complete a comprehensive assessment to identify their greatest barriers to living a crime-free, self-sufficient life. A FLY case manager/mentor then works with the youth to create and execute an individualized plan to address these barriers and build skills to sustain healthy behaviors. Youth also receive leadership training, which kicks off with a wilderness retreat that builds self-confidence, communication skills, collaboration, and positive peer relationships. Together youth in the program engage in pro-social activities and plan service learning projects where they discover how to build on and redirect their strengths as positive leaders.

Mentor Program

Brief Description

This program serves youth on probation in Santa Clara County, many of whom struggle with substance abuse. The program matches highly trained volunteer mentors one-on-one with youth. FLY mentors are often the first positive and healthy adults our youth have had in their lives.

Middle School Law Program

Brief Description

This program offers a five-day version of our legal education course to 7th graders. Youth at greatest risk of dropping out of school then receive case management during their 8th grade year in order to prevent them from entering the juvenile justice system and help them successfully transition to high school.

Aftercare

Brief Description

This program serves in-custody youth who are in long term detention. While incarcerated, youth receive FLY's legal education classes. Following their release, they receive up to six months of FLY case management to help them reintegrate successfully into their communities.

FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

FLY prepares its financial statements using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when they are incurred.

Basis of Presentation

FLY is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2015 FLY did not have any permanently restricted net assets.

Income Tax Status

FLY is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Service Code and therefore has made no provisions for federal income taxes in the accompanying financial statements. FLY is also exempt from state income taxes under Section 23701(d) of the California Revenue and Taxation Code. Management believes FLY has no uncertain tax positions as of June 30, 2015.

Functional Allocation of Expenses

FLY allocates indirect costs between program and supporting services, using estimates of usage and benefit, based principally on personnel hours.

Cash and Cash Equivalents

Cash and cash equivalents consists principally of amounts on hand and on deposit with commercial banks and a registered investment company, available within 90 days of demand. The carrying amount of cash approximates fair value due to its short-term nature.

Investments

Investments consist of certificates of deposit with original terms exceeding 90 days and registered investment company shares (mutual funds) carried at fair value based on quoted prices in active markets (all Level 1 measurements).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses as of the date and for the period presented. Actual results could differ from these estimates.

FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with FLY's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Grants and Contracts Receivable

Grants and contract receivable consist of uncollected promises to give and fees for services. FLY discounts long-term promises to give and estimates an allowance for uncollectible fees for services using the experience method. FLY classifies past due grants and contracts receivable based on grant or contract payment terms and charges off such past due grants receivable when management estimates that collection is less likely than not collecting. As of June 30, 2015, there were no discounts and allowances on pledges.

Property and Equipment

Property and equipment consists of leasehold improvements, furniture, software, computer, office and transportation equipment. FLY records property and equipment at cost or fair value when purchased or donated, respectively, when the cost or fair value exceeds \$5,000. FLY computes depreciation using the straight-line method over the estimated useful lives of the property and equipment (or lower remaining lease period for leasehold improvements), ranging from three to five years.

Assets purchased with grantor funds are expensed in the period acquired. A corresponding entry is recorded in the accompanying statement of financial position as an asset with an offset to net assets. In order to reflect the decrease in value over time of these assets, depreciation is charged directly to net assets annually. These assets are restricted to use only in the programs from which they were purchased.

Revenue Recognition

Contributions receivable are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind Support

FLY records contributions of goods and services at their fair market value only if they create or enhance a non-financial asset or require specialized skills, are provided by entities or persons possessing those skills and FLY would have purchased the goods or services if they did not receive them as contributions.

Advertising Costs

The production costs of advertising are expensed as incurred. During the year ended June 30, 2015, advertising costs charged to expense totaled \$88,537 and are recorded as printing and publication expenses on the Statement of Functional Expenses.

Note 3: INVESTMENTS

The FASB defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and describes disclosures about fair value measurements.

The FASB has established a three level fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. A level is assigned to each fair value measurement in its entirety. The three levels of the fair value hierarchy under the FASB are defined below:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2 – Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable (i.e. supported by little or no market activity).

As of June 30, 2015, the fair value (all Level 1 measurements), and cost of mutual funds totaled \$2,633,000 and \$2,625,815, respectively.

As of June 30, 2014, the fair value (all Level 1 measurements), and cost of mutual funds totaled \$2,273,241 and \$2,087,687, respectively.

Net investment income for the years ended June 30, total as follows:

	2015	2014
Interest and dividends	\$ 59,388	\$ 81,540
Net realized and unrealized gain/(loss)	(88,174)	73,857
Net investment income	\$ (28,786)	\$ 155,397

FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 4: GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable as of June 30, 2015 and 2014, consist of the following:

	<u>2015</u>	<u>2014</u>
Franklin and Catherine Johnson Foundation	\$ 30,000	\$ 60,000
James Irvine Foundation	0	0
The 1440 Foundation	100,000	100,000
Silicon Valley Community Foundation	225,000	525,000
Noble & Lorraine Hancock Family Fund	80,000	80,000
San Francisco Super Bowl Legacy, Inic.	250,000	0
City of San Jose:		
Bring Everybody's Strengths Together	30,200	33,700
County of San Mateo Probation – YOBG	35,311	9,726
County of San Mateo Probation – JJCPA	13,554	20,867
County of Santa Clara:		
Probation Department	66,634	22,890
Social Services Agency	4,463	6,032
Department of Alcohol and Health	0	8,470
EMQ Family First	0	24,860
Santa Clara Office of Education	27,500	6,250
State of California - CSA	0	112,501
Total Grants and Contracts Receivable	\$ <u>862,662</u>	\$ <u>1,010,296</u>

Note 5: DEFINED CONTRIBUTION RETIREMENT PLAN

FLY sponsors a defined contribution plan (Plan) under IRC Section 403(b) for its employees. The Plan allows participating employees to defer a portion of their compensation into income tax-deferred investments. During the years ended June 30, 2015 and 2014, FLY provided a benefit stipend to its employees of 13% of their compensation. Employees may use their benefit stipend to purchase supplemental benefits and contribute to the Plan. During the years ended June 30, 2015 and 2014, employees directed portions of their benefit stipend to the Plan totaling \$119,391 and \$127,530, respectively.

Note 6: DEFERRED REVENUE

Deferred revenue, which represents grants received but not yet earned, consists of the following at June 30:

	<u>2015</u>	<u>2014</u>
City of San Jose BEST	\$ 0	\$ 31,200

FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 7: OVERHEAD RATE CALCULATION

Expenses by function for the year ended June 30, 2015 are as follows:

Management and General	\$ 342,543	8%
Fundraising	526,876	13%
Program Services	<u>3,183,352</u>	<u>79%</u>
Total	<u>\$ 4,052,771</u>	<u>100%</u>

Note 8: CHANGE IN NET ASSETS

In the fiscal year ended June 30, 2015, there was a decrease in total net assets of \$116,156. However, this number does not take into account, revenue that was received or pledged in a prior year, but was restricted by the donor for use in FY2015. FLY released or expended an additional \$2,696,738 of Temporarily Restricted Net Assets (TRNA). Per GAAP, total support and revenue, include only revenue that was received or committed to the agency during FY2015.

Note 9: CONTINGENCIES, CONCENTRATIONS AND RELATED PARTIES

At various times during the years ended June 30, 2015 and 2014, FLY had deposits at commercial banks exceeding federal deposit insurance limits.

Support and revenue from specific sources exceeding 10% of gross support and revenue during either year ended June 30, 2015 or 2014, total as follows:

	<u>2015</u>	<u>2014</u>
San Francisco Super Bowl Legacy, Inc.	13%	0%
The Tipping Point Foundation	10%	12%
County of Santa Clara	12%	7%

Certain programs of FLY depend on contributions of services (volunteers).

A significant reduction in volunteers or these sources of support and revenue, if this would occur, may adversely affect the programs and activities of FLY.

FLY receives certain support and revenue pursuant to various agreements with local governmental agencies. The agreements provide the agencies with the opportunity to review or audit the expenditures of support and performance of services to establish compliance with laws, regulations and the specific terms of the agreements. Management believes FLY complied in the terms of the agreements and that any adjustments, if they would occur, would be immaterial to the financial position of FLY.

FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 10: TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2015 and 2014 temporarily restricted net assets consist of the following:

	June 30, 2014	2015 Additions of TRNA	2015 Releases of TRNA	June 30, 2015
100 Women Charitable Foundation	\$ 45,000	\$ 0	\$ 45,000	\$ 0
AAA NCNU Grant	20,000	0	20,000	0
All Star Helping Kids	0	5,000	5,000	0
Bank of America Foundation	0	5,000	0	5,000
Barkley Foundation	0	50,000	50,000	0
California Wellness Foundation	0	50,000	50,000	0
Cisco Systems Corp. Fund	15,000	15,000	15,000	15,000
Edna McConnell Clark Foundation	150,000	0	150,000	0
Elfin Award	25,000	0	25,000	0
EMQ – Families First	49,720	0	49,720	0
Fernwick & West	0	10,000	10,000	0
Franklin Johnson Foundation	90,000	0	30,000	60,000
Ghisolfo Trust	250,000	0	250,000	0
Intuit Foundation	2,500	0	2,500	0
James Irvine Foundation	100,000	5,000	105,000	0
Junior League of Palo Alto	4,000	0	4,000	0
Kaiser Foundation	30,000	25,000	55,000	0
Kurjan Family	15,000	0	15,000	0
Leo M. Shortino Foundation	0	35,000	35,000	0
Marc and Laura Andreessen Fund	47,000	0	47,000	0
Noble & Lorraine Hancock Family Foundation	120,000	0	40,000	80,000
Palo Alto Community Foundation	10,000	10,000	10,000	10,000
Peery Foundation	100,000	105,000	105,000	100,000
PVF – Somerville	4,200	0	0	4,200
San Disk Foundation	15,000	3,500	18,500	0
SF 49ers Foundation	99,000	100,560	199,560	0
Silicon Valley Community Foundation	525,000	0	300,000	225,000
Silicon Valley Social Venture Fund	3,500	0	3,500	0
Greenleaf Trust	200,000	0	200,000	0
SF Super Bowl Legacy, Inc.	0	500,000	0	500,000
Stanley Langedorf Foundation	0	20,000	20,000	0
Stewart Family Foundation	10,000	0	10,000	0
Sunnyvale Rotary Club	2,500	0	2,500	0
Symon College Fund	945	0	945	0
Tangram	3,000	0	3,000	0

FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 10: TEMPORARILY RESTRICTED NET ASSETS (continued)

	June 30, 2014	2015 Additions of TRNA	2015 Releases of TRNA	June 30, 2015
The 1440 Foundation	\$ 150,000	\$ 10,000	\$ 50,000	\$ 110,000
The Brin Wojcicki Foundation	100,000	50,000	100,000	50,000
The Grove Foundation	30,000	30,000	30,000	30,000
The Long Foundation	0	150,000	0	150,000
The Lucille Packard Foundation	25,000	50,000	50,000	25,000
Thrive Foundaiton	0	12,500	12,500	0
Tides Foundation	20,513	0	20,513	0
Tim & Theresia Ranzetta Foundation	0	50,000	50,000	0
Tipping Point Foundation	0	402,500	402,500	0
Westly Foundation	25,000	25,000	25,000	25,000
Witchy Women (Bella Vista)	0	65,000	65,000	0
Women's Foundation of California	15,000	15,000	15,000	15,000
Total Temporarily Restricted Net Assets	\$ 2,301,878	\$ 1,799,060	\$ 2,696,738	\$ 1,404,200

FLY was a recipient of multiple year foundation grants recognized in prior fiscal years. This is reflective in the balance of Temporarily Restricted Net Assets (TRNA) of \$2,301,878 as of June 30, 2014.

Please note the Greenleaf Trust gift was a restricted donor gift received in FY14 but meant to support efforts in FY15; however per GAAP, it is included in FY14 total support.

As of the fiscal year ended June 30, 2015, a total of \$2,696,738 was spent on the satisfaction of funding restrictions from prior years.

Note 11: IN-KIND CONTRIBUTIONS AND VOLUNTEERS

During the year ended June 30, 2015, FLY recorded in-kind contributions for office space of \$142,434, legal fees of \$18,483, financial advisor fees of \$12,000, and supplies of \$8,496 for total in-kind contributions of \$181,413.

Approximate volunteer contributed time (in hours) for the year ended June 30, 2015 was:

Law	4,114
Mentoring	4,265
Management/Administrative	862
Total Volunteer Hours Contributed	<u>9,241</u>

FRESH LIFELINES FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 12: SUBSEQUENT EVENTS

The Organization's management has evaluated its subsequent events through October 15, 2015, the date the financial statements were available to be issued.

IZABAL, BERNACIAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

388 Market Street, Suite 888
San Francisco, California 94111

Tel. (415) 896-5551
Fax (415) 896-0584

**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**

Board of Directors
FRESH LIFELINES FOR YOUTH, INC.
Milpitas, 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 Fresh Lifelines for Youth, Inc., which comprise the statement of financial position as of June 30, 2015, 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 October 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Organization'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 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Francisco, California
October 15, 2015



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Habitat for Humanity East Bay/Silicon Valley, Inc. Date: January 27, 2016

Address: 513 Valley Way
Street Address *Suite Number*

Milpitas, CA 95035
City *State* *ZIP Code*

Phone: (510)803-3381 Email: LCasto@habitatebsv.org

Executive Director: Janice Jensen

Project Manager (PM): Lesley Casto

PM's Phone: (510)803-3381 PM's Email: LCasto@habitatebsv.org

DUNS #: 79-519-4737

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

Habitat for Humanity East Bay/Silicon Valley, Inc. brings people together to build homes, communities, and hope. We accomplish our mission by revitalizing neighborhoods, building affordable and sustainable housing solutions, and empowering families through successful homeownership. Since 1986, we have partnered with volunteers, the community, and households with limited incomes to strengthen communities in Alameda, Contra Costa and Santa Clara counties. Our vision is a world where everyone has a decent place to live.

Section B: Funding Request

Total funding requested for this project	\$ 15,000
Total cost of project	\$ 194,014.00
Other funds leverage for project i.e. Private Donations (estimation)	\$ 179,014.00
Other funds not secured by project	\$
Are you getting County assistance, if so, please list	\$ 0

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Habitat's funding comes from diverse sources of revenue including: individuals, foundations, corporations, local businesses, the faith and civic communities, youth groups, special events, government sources, and mortgage income from our partner families. These efforts to diversify funding has catalyzed organizational fiscal health allowing Habitat to generally break even or to generate a slight cash surplus on a yearly basis. At the end of Fiscal Year 2015 assets totaled more than \$35 million and net assets totaled more than \$24 million. Revenue will exceed \$18 million for Fiscal Year 2015. Habitat maintains a revolving line of credit of \$2.75 million to support quarterly fluctuations in cash flow; approximately \$163,000 is outstanding on the line as of June 30, 2015. The Program received more grant funding last year than ever before, and we have already received funding for this fiscal year. Specifically with this program, Habitat's on-going funders are Charles Schwab Bank, Charles Schwab Foundation, C&I Foundation, Bank of America, and the Thomas J. Long Foundation totaling \$135,000 for this fiscal year, with an additional \$20,000 pending. As the program grows, Habitat will continue to expand its monitoring and evaluation of clients, and communicate outcomes effectively to potential funders. Habitat also plans to continue to find and explore new and innovate funding sources, as well as to maintain and strengthen our current funding streams.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

We applied in FY 15-16 for this program, but was not awarded funding.

Section C: Project Eligibility

Targeted Clientele: Milpitas households with incomes at or below 80% area median income.

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

As a HUD-certified counseling agency, Habitat for Humanity East Bay Silicon Valley, Inc. (Habitat) offers a Homebuyer Financial Literacy Counseling (HFLC) Program (the "Program") that combines free financial education workshops and financial coaching. The Program addresses the need of low-income families in our community to achieve financial stability and to obtain affordable housing. During the past 6 years the rise in the cost of living in this area has outpaced earnings for low-wage workers, making it increasingly difficult for families in the Bay Area. By improving clients' financial situation in practical ways, families will be ready to purchase a home either through Habitat's homeownership program or on the market. Since July 2013, Habitat has provided free financial education workshops to over 759 individuals throughout our service area. With additional funding from Milpitas, Habitat will be able to expand this program to serve approximately 60 Milpitas residents through workshops on homeownership and money management as well as individual housing counseling sessions. Habitat expects program clients to increase financial literacy, develop working budgets, improve credit scores to levels acceptable to the mortgage finance community, save money for settlement costs, reduce debt to meet national lending debt standards, and qualify to apply for a conventional mortgage or for a loan through Habitat's homeownership program. Habitat's program provides a long-term and sustainable solution to an increasing need for comprehensive financial education and counseling services.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

- Abused children
- Elderly persons 62 years or older
- Battered persons
- Severely disabled adults (not children) as defined by the Census
- Illiterate adults
- Persons living with HIV/AIDS
- Migrant farm workers
- Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

- Single Family (must be 100% LMI)
- Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	1	270	60
2. Cost Per Client Annually	\$450	715	715
3. How many are low- and very-low income?	100%	<95%	<95%
4. Will the proposed assistance result in increase in clients? State projected number.		Yes	Yes

5. What is the total number of unduplicated clients/households to be served?	1	270	60
--	---	-----	----

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

N/A

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Each client completes an intake form that includes income, household, and demographic data. Habitat tracks clients and the information from the intake forms through the use of Counselor Max software, allowing us to track clients who become homeowners after they complete our financial workshops and/or financial counseling. Habitat evaluates the effectiveness of outreach and marketing by tracking the number of new clients who enroll in the Program, and uses financial literacy surveys to collect feedback from Habitat's participants within the financial literacy programs.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

Habitat works with a large number of faith organizations and non-profits to help spread the word about our program and the workshops that we host. Habitat also partners with other non-profit organizations to provide financial and housing counseling to their clients. Doing so allows Habitat to reach a broader group of individuals. With our office in Milpitas, many clients learn about our work through participating in our volunteer opportunities. With additional funding from the City of Milpitas, we will outreach specifically to the Milpitas community, targeted to locations most likely to reach low- and moderate-income clients.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.


Signature of Executive Officer

2.3.16
Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Homebuyer Financial Literacy Counseling Program

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	13,500	125,997	138,747	Corporations/Foundations
Benefits		37,092	37,092	Corporations/Foundations
Rent		1,400	2,000	Corporations/Foundations
Telephone				
Postage				
Printing (including Ads)	1,100	3,875	4,975	Corporations/Foundations
Supplies	400	1,100	1,400	Corporations/Foundations
Travel		5,450	5,700	Corporations/Foundations
Utilities				
Equipment & Maintenance				
Dues & Subscriptions				
Accounting Services				
Contract Services				
Insurance				
Conference				
Miscellaneous		4,100	4,100	Corporations/Foundations
TOTAL	15,000	179,014	194,014	

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Homebuyer Financial Literacy Counseling Program

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Alessandra Pio di Savoia TBD, Housing Counselor	20%	-Preparation of marketing materials -Dissemination of marketing materials, -Attend community outreach events	Reach residents of City of Milpitas with incomes at or below 80% of area median income
Alessandra Pio di Savoia TBD, Housing Counselor	10%	Conduct orientation session (1 per quarter)	Sign up individuals for workshops and counseling
Peggy Green Alessandra Pio di Savoia TBD, Housing Counselor	20%	Teach financial education class	Improve participants' understanding of financial topics
Peggy Green Alessandra Pio di Savoia TBD, Housing Counselor	40%	Provide one-on-one counseling	Assist individuals in setting specific financial goals to reach positive outcomes
Alessandra Pio di Savoia TBD, Housing Counselor	10%	Record keeping	Track individuals served and report feedback from clients for effectiveness of programs

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: 1/28/2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Homebuyer Financial Literacy Counseling Program

Project Coordinator: _____

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Marketing & Outreach	X	X	X	X	X	X	X	X	X	X	X	X
Orientations		X			X			X			X	
Financial Education Classes			X		X		X		X		X	
One-on-one Counseling		X	X	X	X	X	X	X	X	X	X	X
Record Keeping	X	X	X	X	X	X	X	X	X	X	X	X

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Lesley Casto

Title Homeowner Relations Manager

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2015-2016

Project Name: Homebuyer Financial Literacy Counseling Program

Date: 1/28/2016

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	11,562.25	11,562.25	11,562.25	11,562.25	11,562.25	11,562.25	11,562.25	11,562.25	11,562.25	11,562.25	11,562.25	11,562.25	138,747.00
Benefits	3,091.00	3,091.00	3,091.00	3,091.00	3,091.00	3,091.00	3,091.00	3,091.00	3,091.00	3,091.00	3,091.00	3,091.00	37,092.00
Rent	100.00	210.00	210.00	100.00	210.00	100.00	210.00	210.00	210.00	100.00	240.00	100.00	2,000.00
Telephone													
Postage													
Printing (incl. Ads)	1,381.95	829.15	276.39	276.39	276.39	276.39	276.39	276.39	276.39	276.39	276.39	276.39	4,975.00
Supplies	100.00	170.00	50.00	220.00	50.00	170.00	100.00	170.00	50.00	220.00	50.00	50.00	1,400.00
Travel	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	5,700.00
Utilities													
Equip./Maintenance													
Dues & Subscriptions													
Accounting Services													
Contract Services													
Insurance													
Conference													
Miscellaneous			1,650.00	1,150.00			650.00			650.00			4,100.00
TOTAL	16,710.20	16,337.40	17,314.64	16,874.64	15,664.64	15,674.64	16,364.64	15,784.64	15,664.64	16,374.64	15,694.64	15,554.64	194,014.00



THE GOVERNING BOARD OF
Habitat for Humanity East Bay/Silicon Valley, Inc.

HEREBY AUTHORIZES THE SUBMITTAL OF A FUNDING APPLICATION IN RESPONSE TO THE CITY OF MILPITAS COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REQUEST FOR PROPOSALS; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING, ANY AMENDMENTS THERETO AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE PROGRAM.

WHEREAS:

- A. Habitat for Humanity East Bay/Silicon Valley (hereinafter referred to as "Corporation"), a nonprofit public benefit corporation, wishes to apply for and receive an allocation of funds through the City of Milpitas ("Milpitas") Community Development Block Grant ("CDBG") Request for Proposals ("RFP") application; and
- B. Milpitas issued an RFP on January 4, 2016 in order to distribute funding for programs that support low-income residents; and
- C. Corporation will respond to the RFP and request up to \$15,000 in grant funding; if approved, Corporation will enter into an agreement with Milpitas.

IT IS NOW THEREFORE RESOLVED THAT:

- 1. The Corporation is authorized to submit to Milpitas an application for grant funding in response to the RFP and request a funding allocation of up to \$15,000 for the following activity: fair housing and credit counseling services directed predominantly to the low-income community in Milpitas.
- 2. The Corporation authorizes Janice Jensen, President & CEO, or her designee to execute in the name of the Corporation, the application, the agreement, and all other instruments necessary or required to effectuate this funding.

PASSED AND ADOPTED THIS 26th DAY OF JANUARY, 2016, by the following vote:

AYES: 12 NAYS: 0 ABSTAIN: 0 ABSENT: 0

The undersigned, Kristin Lincoln, Secretary of the Corporation there before named does hereby attest and certify that the foregoing is a true and full copy of a resolution of the Governing Board adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

Signature

Date

A handwritten signature in blue ink, appearing to read "K. Lincoln", written over a horizontal line.

1/26/16



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: InnVision Shelter Network Date: 1/15/2016

Address: 181 Constitution Drive
Street Address *Suite Number*

Menlo Park, CA 94025
City *State* *ZIP Code*

Phone: 650-685-5880 Email: bives@ivsn.org

Executive Director: Bruce Ives

Project Manager (PM): Katherine Finnigan

PM's Phone: 650-685-5880 x129 PM's Email: kfinnigan@ivsn.org

DUNS #: 792738726

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

IVSN is the largest and most effective non-profit committed to ending the cycle of homelessness for families and individuals in San Mateo and Santa Clara Counties. As a results-driven organization, the IVSN mission is to provide interim housing and supportive services that create opportunities for homeless families and individuals to rapidly return to stable housing and long term self-sufficiency. Our successful therapeutic service model combines clean, modern housing with intensive supportive services that promote dignity and motivate our clients to achieve autonomy.

Section B: Funding Request

Total funding requested for this project	\$ 46,462
Total cost of project	\$ 17,207,982
Other funds leverage for project i.e. Private Donations (estimation)	\$ 17,161,520
Other funds not secured by project	\$ 0
Are you getting County assistance, if so, please list	\$ 1,154,234

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Failure to obtain the requested funding from the City of Milpitas CDBG will present a challenge to IVSN operations, but IVSN brings substantial resources and commitment to its mission of assisting homeless individuals and families to rapidly return to stable housing and long-term self-sufficiency. IVSN has the proven capacity to leverage funding received to garner additional support for our shelters and supportive service programs. In addition to grants from community foundations and public sources, IVSN employs a broad spectrum of private fundraising and stewardship techniques combined with a strategic marketing campaign to achieve our annual fundraising goals.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

IVSN has not previously applied to the City of Milpitas for CDBG funding, however we have ample experience applying for and being awarded CDBG funding via other entities. In the past year, IVSN requested and received CDBG funding awards from the County of Santa Clara (two grants totaling \$20,000), the City of Sunnyvale (\$50,000), the City of Mountain View (\$20,000), and the City of Palo Alto (\$45,149).

Section C: Project Eligibility

Targeted Clientele: Homeless individuals and families

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

IVSN provides housing in 17 locations in Santa Clara and San Mateo Counties, including 13 emergency shelters and transitional housing sites. Each site provides a continuum of care consisting of two to four months of programming, including high quality supportive services, case management, mental health assessment and treatment, financial literacy education, parenting workshops, substance abuse treatment referrals and support, and more. IVSN also offers a robust children's program which improves physical and mental health and educational outcomes, all designed to improve children's future socioeconomic status.

IVSN programs enable homeless individuals and families to rapidly return to stable housing and long-term self-sufficiency in order to improve our clients' self-efficacy, ameliorate the most devastating effects of homelessness on young children, and open up beds and capacity in shelters to serve more homeless people.

With these key components, and with the support of 36,000 dedicated volunteers, last year IVSN served nearly 9,000 homeless individuals, including families with children, and provided 283,000 nights of shelter. Among those were 1,697 nights of shelter (0.60% of the total) provided to 24 individuals (0.27% of the total), including four minors, who listed their last previous address in Milpitas. Milpitas residents stayed at IVSN shelters an average of 71 nights—more than twice the IVSN average of 31 nights.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

- Abused children
- Elderly persons 62 years or older
- Battered persons
- Severely disabled adults (not children) as defined by the Census
- Illiterate adults
- Persons living with HIV/AIDS
- Migrant farm workers
- Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

- Single Family (must be 100% LMI)
- Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	9,000	9,000	24 (20 adults, 4 youth)
2. Cost Per Client Annually	\$1,912	\$1,912	
3. How many are low- and very-low income?	100%	100%	100%
4. Will the proposed assistance result in increase in clients? State projected number.	No	No	No

5. What is the total number of unduplicated clients/households to be served?	9,000	9,000	0.27%
--	-------	-------	-------

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Not applicable

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

To determine client income eligibility for our programs, upon intake, IVSN Case Managers verify household income by reviewing income tax returns, W-2 forms, payroll check stubs, employment verification letters, or—in the absence of documentation—direct contact with the employer. Should the client receive government assistance, we request a "notice of action" letter indicating amount awarded. In addition, a follow-up phone call is made to the benefits analyst to verify the amount stated. If client income changes, IVSN requires clients to submit updated verification of income. Income certification is available on file for all IVSN clients and available for review upon request.
 To evaluate our programs, complete records of IVSN client outcomes and demographics are entered into a database by Case Managers and analyzed by the Contracts Compliance Manager. These statistics and reports, among others, are reviewed monthly, quarterly, and annually by program staff, senior management, and the Board of Directors.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

IVSN employs a range of tactics to outreach to homeless individuals, including identifying unsheltered and sheltered individuals and families and building relationships with them, while encouraging them to take advantage of IVSN facilities and services. Outreach Case Managers collaborate with local police departments and other community-based agencies to identify high users of emergency medical and other municipal services and to connect these individuals to housing and supportive services. A significant number of those served are Veterans and/or chronically homeless. Additionally, many clients are referred to IVSN shelters by local police, fire and sheriff departments, by hospitals and other health-care facilities, and by government agencies. The outreach activities and the referrals do not specifically target Milpitas residents, or residents from any other city. Rather, IVSN seeks to identify homeless individuals where they are, across San Mateo and Santa Clara Counties, and serve them in IVSN facilities, of which there are 17 locations across the two counties.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.


 Signature of Executive Officer

1/15/16
 Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING 2016-2017

Project Name: InnVision Shelter Network

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Direct Labor	\$ 8,602	\$ 3,177,231	\$ 3,185,833	34% Federal, 26% County, 3% State and City, 37% Private
Fringe	\$ 3,216	\$ 1,187,885	\$ 1,191,101	34% Federal, 26% County, 3% State and City, 37% Private
Client Rents/Other	\$ 9,923	\$ 3,665,158	\$ 3,675,081	34% Federal, 26% County, 3% State and City, 37% Private
Site Operating Costs	\$ 13,555	\$ 5,006,753	\$ 5,020,308	34% Federal, 26% County, 3% State and City, 37% Private
Administrative Costs	\$ 6,911	\$ 2,552,720	\$ 2,559,631	34% Federal, 26% County, 3% State and City, 37% Private
Development Costs	\$ 4,255	\$ 1,571,773	\$ 1,576,028	34% Federal, 26% County, 3% State and City, 37% Private
TOTAL EXPENSES	\$ 46,462	\$ 17,161,520	\$ 17,207,982	

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: InnVision Shelter Network

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Brian Greenberg, PhD. Vice President of Programs & Services	100	Manage IVSN shelter and housing programs	Provide interim housing and supportive services that create opportunities for homeless families and individuals to rapidly return to stable housing and long-term self-sufficiency. During the course of the year, serve 9,000 clients, providing 283,000 nights of shelter.
Lorena Collins, Associate Vice President of Programs and Services	100	Oversee the programming and staff at nine IVSN shelters	Return 94% of families and 82% of individuals completing a transitional shelter program successfully to stable housing.
Dwight Powery, Vice President, Strategy, Technology, and Operations	100	Provide and maintain the equipment, systems, and facilities of IVSN sites and programs	
IVSN Program Directors	100	Operate the various IVSN sites and programs. Manage staff, serve clients.	

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: January 20, 2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: InnVision Shelter Network

Project Coordinator: Katherine Finnigan

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Client outreach	X	X	X	X	X	X	X	X	X	X	X	X
Client Intake	X	X	X	X	X	X	X	X	X	X	X	X
Client assessment	X	X	X	X	X	X	X	X	X	X	X	X
Case management	X	X	X	X	X	X	X	X	X	X	X	X
Exit planning	X	X	X	X	X	X	X	X	X	X	X	X

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Katherine Finnigan Title Senior Director, Contracts and Grants

InnVision Shelter Network



AUTHORIZING RESOLUTION

WHEREAS:

- A. InnVision Shelter Network is a nonprofit corporation and, in the course of its operations, receives funding from various public and private agencies to support InnVision Shelter Network's mission; and
- B. Various agencies desire to provide funding for community services to meet human needs such as housing and services for homeless families and individuals, all in keeping with the mission of InnVision Shelter Network, but such agencies often require specific authorizations from the Board in order to apply for such funding; and
- C. In order to apply for such funding in the most expeditious manner, it is appropriate to appoint certain officers to apply, on behalf of InnVision Shelter Network, for such funding in order to avoid any delays in having to obtain a specific Board resolution authorizing each such separate application.

Board of Directors

- Rod Ferguson
Chair
- Matthew Bahls
Vice Chair
- Steve Luzaich
Secretary
- John Brew
Treasurer
- Marianne Baldrica
- Christina Dickerson
- Julie Gruber
- Olivier Kohler
- David Lichtenger
- Jillian Manus
- Ray Mueller
- Marquise Murphy
- Kevin O'Connor
- Everett Oliven
- Rachel Perkel
- Ron Reis
- Joe Stockwell
- Cheryl Westmont

NOW, THEREFORE, BE IT RESOLVED THAT:

- 1. The Board of Directors of InnVision Shelter Network hereby authorizes the CEO, the Vice President of Operations, and the Vice President of Development to apply for grants or other funding from any and all public or private agencies for InnVision Shelter Network's programs serving homeless families and individuals; and,
- 2. The Board of Directors of InnVision Shelter Network hereby authorizes the CEO, the Vice President of Operations, and the Vice President of Development to enter into any contract with such agencies associated with such funding, and any amendment thereto, and to perform any and all responsibilities in relationship to such contract.

Advisory Board

- William L. Butler
Congresswoman
- Anna Eshoo
- Roger Hagman
- Monica Ip
- Marcia Pade
- William V. Regan, III
Congressman
- Jackie Speier

PASSED AND ADOPTED at a meeting of the Board of Directors of InnVision Shelter Network this 10 day of February, 2015 by the following vote:

AYES: 14 ABSTENTIONS: NOES: ABSENT: 3

CEO
Bruce Ives

[Signature]
Signature of Approving Officer

RODNEY A. FERGUSON, CHAIRMAN
Printed Name and Title of Approving Officer

ATTEST: [Signature], Secretary
Signature and Title

INNVISION SHELTER NETWORK

JUNE 30, 2015

INDEPENDENT AUDITORS' REPORT

AND

CONSOLIDATED FINANCIAL STATEMENTS

InnVision Shelter Network
Independent Auditors' Report
and Consolidated Financial Statements

Independent Auditors' Report	1 - 2
 Consolidated Financial Statements:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities and Changes in Net Assets	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 – 24

Independent Auditors' Report

TO THE BOARD OF DIRECTORS
INNVISION SHELTER NETWORK
Menlo Park, California

We have audited the accompanying consolidated financial statements of **INNVISION SHELTER NETWORK**, which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

Consultants and

Business Advisors

100 First Street

14th Floor

San Francisco

CA 94105

415.781.0793

fax 415.421.2976

60 S. Market Street

Suite 200

San Jose

CA 95113

408.998.8400

fax 408.998.8485



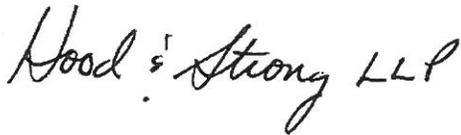
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of InnVision Shelter Network as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited InnVision Shelter Network's June 30, 2014 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 26, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Hood & Strong LLP". The signature is written in a cursive, flowing style.

San Jose, California
December 18, 2015

InnVision Shelter Network

Consolidated Statement of Financial Position

<i>June 30, 2015 (with comparative totals for 2014)</i>	2015	2014
Assets		
Cash and cash equivalents	\$ 2,969,481	\$ 512,153
Grants and other receivables, net	1,974,236	2,432,935
Investments	2,218,232	2,449,210
Prepaid expenses	64,468	188,349
Promises for future use of assets, net	574,682	585,510
Investment in partnerships	1,012,948	1,094,172
Other assets	146,933	150,665
Property and equipment, net	14,692,958	18,230,321
Total assets	\$ 23,653,938	\$ 25,643,315
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,062,652	\$ 1,600,522
Accrued interest	505,977	483,143
Other liabilities	129,994	77,014
Loans and notes payable	2,462,318	3,717,971
Forgivable advances	6,161,712	6,246,105
Total liabilities	10,322,653	12,124,755
Net Assets:		
Unrestricted	11,942,167	12,514,246
Temporarily restricted	1,389,118	1,004,314
Total net assets	13,331,285	13,518,560
Total liabilities and net assets	\$ 23,653,938	\$ 25,643,315

See accompanying notes to consolidated financial statements.

InnVision Shelter Network

Consolidated Statement of Activities and Changes in Net Assets

Year Ended June 30, 2015 (with comparative totals for 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Revenue and Support:				
Government grants and contracts	\$ 11,366,889		\$ 11,366,889	\$ 9,914,560
Individual, corporate and foundation contributions	4,573,229	\$ 927,754	5,500,983	6,003,706
In-kind donations, including contributed facilities	1,478,627		1,478,627	481,518
Client program fees	637,890		637,890	638,511
Special events, net of direct expenses of \$61,664	353,544		353,544	359,222
Net investment (loss) income	(4,974)		(4,974)	479,629
Loss from investments in partnerships	(81,224)		(81,224)	(95,273)
Forgiven principal and interest	110,472		110,472	120,093
Loss on sale of property	(236,916)		(236,916)	(62,731)
Other income	99,939		99,939	212,014
Net assets released from restrictions	542,950	(542,950)		
Net revenue and support	18,840,426	384,804	19,225,230	18,051,249
Expenses:				
Program services	15,135,365		15,135,365	15,164,231
Supporting services:				
Management and general	2,862,990		2,862,990	3,337,781
Development and fundraising	1,414,150		1,414,150	1,694,602
Total expenses	19,412,505		19,412,505	20,196,614
Change in Net Assets	(572,079)	384,804	(187,275)	(2,145,365)
Net Assets, beginning of year	12,514,246	1,004,314	13,518,560	15,663,925
Net Assets, end of year	\$ 11,942,167	\$ 1,389,118	\$ 13,331,285	\$ 13,518,560

See accompanying notes to consolidated financial statements.

InnVision Shelter Network

Consolidated Statement of Functional Expenses

Year Ended June 30, 2015 (with comparative totals for 2014)

	2015				2014	
	Program Services	Supporting Services			Total	Total
Management and General		Development and Fundraising		Total		
Salaries and benefits	\$ 6,167,715	\$ 1,336,088	\$ 1,003,263	\$ 2,339,351	\$ 8,507,066	\$ 10,338,571
Payroll taxes	492,973	106,791	80,189	186,980	679,953	813,849
Total salaries and related expenses	6,660,688	1,442,879	1,083,452	2,526,331	9,187,019	11,152,420
Client assistance	3,469,788				3,469,788	3,074,573
Consulting services		309,635		309,635	309,635	329,180
Donated goods	947,076				947,076	89,880
Equipment and furniture	41,458	2,008		2,008	43,466	
Equipment leases	283,586	3,376		3,376	286,962	218,738
Insurance	150,995	15,299		15,299	166,294	10,270
Interest expense		44,378		44,378	44,378	52,445
Interest forgiven	26,079				26,079	70,620
Maintenance, repairs and supplies	349,072	23,828		23,828	372,900	670,324
Office expense	36,786	25,207	2,208	27,415	64,201	300,712
Professional services	304,881	469,924	42,241	512,165	817,046	723,880
Property taxes	114,559	13,067		13,067	127,626	161,170
Rent	173,090	220,498		220,498	393,588	475,971
Rent (donated use)	410,816				410,816	373,394
Telephone	350,941	12,152	57,346	69,498	420,439	360,387
Temporary services	15,981	125,476		125,476	141,457	99,381
Travel and mileage	145,855	36,919	8,133	45,052	190,907	156,151
Utilities	515,566	23,401		23,401	538,967	556,175
Other	434,934	53,431	220,770	274,201	709,135	493,567
Total expenses before depreciation and amortization	14,432,151	2,821,478	1,414,150	4,235,628	18,667,779	19,369,238
Depreciation and amortization	703,214	41,512		41,512	744,726	827,376
	\$ 15,135,365	\$ 2,862,990	\$ 1,414,150	\$ 4,277,140	\$ 19,412,505	\$ 20,196,614

See accompanying notes to consolidated financial statements.

InnVision Shelter Network

Consolidated Statement of Cash Flows

<i>Year Ended June 30, 2015 (with comparative totals for 2014)</i>	2015	2014
Cash Flows from Operating Activities:		
Change in net assets	\$ (187,275)	\$ (2,145,365)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	744,726	827,376
Loss on disposal of property	236,916	62,731
Principal forgiven on forgivable advances	(84,393)	(96,311)
Realized and unrealized losses (gains) on investments	39,861	(422,950)
Loss from investments in partnerships	81,224	95,273
Amortization of promises for future use of assets	10,828	4,198
(Increase) decrease in assets:		
Grants and other receivables	458,699	(42,898)
Prepaid expenses	123,881	(70,162)
Other assets	3,732	(37,480)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(537,870)	123,693
Accrued interest	22,834	31,910
Other liabilities	52,980	(47,110)
Net cash provided (used) by operating activities	966,143	(1,717,095)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(67,438)	
Proceeds from sale of property	2,623,159	
Purchases of investments	(1,083,523)	(2,865,363)
Proceeds from sale of investments	1,274,640	3,836,485
Net cash provided by investing activities	2,746,838	971,122
Cash Flows from Financing Activities:		
Issuance of loans and notes payable		3,000,000
Payments on loans and notes payable	(1,255,653)	(3,238,753)
Net cash used by financing activities	(1,255,653)	(238,753)
Net Change in Cash and Cash Equivalents	2,457,328	(984,726)
Cash and Cash Equivalents, beginning of year	512,153	1,496,879
Cash and Cash Equivalents, end of year	\$ 2,969,481	\$ 512,153
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for interest	\$ 35,623	\$ 20,535

See accompanying notes to consolidated financial statements.

InnVision Shelter Network

Notes to Consolidated Financial Statements

Note 1 - Nature of Activities:

InnVision Shelter Network (IVSN), a California public benefit corporation, was formed in the summer of 2012 by the merger of Shelter Network of San Mateo County, and InnVision the Way Home of Santa Clara County, which were founded in 1987, and 1973, respectively.

IVSN's mission is to eliminate homelessness in its territory of San Mateo and Santa Clara Counties and surrounding communities. IVSN provides services to its homeless clients at 18 sites between Daly City and San Jose, including 12 overnight shelters, which provide shelter to approximately 1,000 clients each night. Beyond emergency, interim, and permanent shelter, IVSN provides food, clothing, healthcare, job training and counseling, financial literacy seminars, child care and programs, computer labs, and cell phones to thousands of its homeless clients each year.

IVSN's programs are built around its "Beyond the Bed" approach to create long term solutions to homelessness and getting its clients on the road to self-sufficiency and permanent housing. Each client individual or family receives support services through an assigned case manager intimately familiar with local community and government resources. This service provides access to job training, resume preparation, job counseling, access to physical and mental healthcare, life skills training, children-centric programs, rental assistance, mandatory savings, and follow up.

IVSN's business is highly susceptible to downward cycles in local, county, state, and federal funding. Ironically, and unlike other certain nonprofits, upticks and improvement in the local economy actually creates more homelessness due to skyrocketing rents and the concomitant loss of affordable residential stock. These variables in demand for services and government funding forces IVSN to rely on its successful fund-raising activities.

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Accounting

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

b. Basis of Consolidation

The consolidated financial statements include the accounts of IVSN and its wholly owned subsidiary, Vendome, LLC. All significant intercompany transactions and balances have been eliminated in consolidation.

InnVision Shelter Network

Notes to Consolidated Financial Statements

c. Basis of Presentation

IVSN reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted Net Assets - net assets that are neither temporarily nor permanently restricted by donor-imposed stipulations. These net assets are intended for use by management and the Board of Directors for general operations.

Temporarily Restricted Net Assets - net assets that are limited by donor-imposed restrictions that either expire by passage of time or can be fulfilled and removed by actions of IVSN.

Permanently Restricted Net Assets - the portion of net assets that are limited by donor-imposed restrictions that neither expire by passage of time nor can be removed by actions of IVSN. IVSN does not have any permanently restricted net assets.

d. Cash and Cash Equivalents

For purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with an initial maturity of three months or less and does not include cash held in investment accounts.

e. Grants and Other Receivables

Receivables are stated at the amount management expects to collect on the outstanding balances. Receivables are due from federal, state and local governments and agencies and others and are all expected to be collected in the year ending June 30, 2015. An allowance of approximately \$171,000 is recorded for estimated uncollectible amounts as of June 30, 2015.

f. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. These investments are subject to market fluctuations and are exposed to various risks such as interest rate, market, and credit risk. Realized and unrealized gains and losses are included in the Consolidated Statement of Activities and Changes in Net Assets. Direct investment expenses, consisting of trustee fees and management fees, are recorded as a reduction of investment income.

g. Promises for Future Use of Assets

Promises for future use of assets represent the future value of land and facilities usage that is being donated to IVSN. The promises have been recorded at the estimated fair value of the asset utilized, discounted to its net present value. When the promises were made, revenue was recognized for the present value of the gifts and each year the discount is amortized and contribution revenue is recognized. Each year, donated revenue and donated expense are recognized for the value of the usage for that year.

InnVision Shelter Network

Notes to Consolidated Financial Statements

h. Investments in Partnerships

Investments in limited partnerships are accounted for using the equity method of accounting. IVSN, a co-general partner with another not-for-profit organization, is not deemed to control the partnerships. The investment is recorded at cost and is adjusted for IVSN's proportionate share of undistributed earnings or losses. Profits and losses are allocated in accordance with the partners' interest percentages. Because the limited partners' losses are limited to its investment, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in an amount sufficient to absorb the losses. All remaining losses are allocated to the general partners. Any subsequent income allocable to the limited partners is allocated to the general partners first until the general partners' share of that income offsets the losses not previously recognized by the limited partners.

i. Fair Value Measurements

IVSN classifies its financial instruments measured at fair value on a recurring basis based on a fair value hierarchy with three levels of inputs as described below. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1 values are based on unadjusted quoted prices in active markets for identical instruments. Level 2 values are based on significant observable market inputs, such as quoted prices for similar instruments or unobservable inputs that are corroborated by market data. Level 3 values are based on unobservable inputs that are not corroborated by market data. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying instrument.

j. Property and Equipment

Land, building and equipment are stated at cost or, if donated, at their approximate fair value as of the date of donation. All acquisitions in excess of \$5,000 and all expenditures that materially prolong the useful lives of assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 30 years.

k. Forgivable Advances

Forgivable advances represent loans that can be forgiven if certain conditions are met. Management believes that the conditions are all attainable. The liability is recorded at the value of the loan. When a condition is met that results in all or part of the loan principal and/or interest being forgiven, the liability is reduced and revenue is recognized.

InnVision Shelter Network

Notes to Consolidated Financial Statements

l. Revenue Recognition

Grant and contract revenues from federal and other governmental agencies are reported as unrestricted revenue when qualifying expenses are incurred under the grant and contract agreements on a cost-reimbursement basis.

Contributions, including unconditional promises to give, are recorded as revenue at their fair value in the period the contribution or promise is received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions. Contributions are considered to be unrestricted unless specifically restricted by the donor. Conditional contributions are not recorded until the conditions on which they depend are substantially met and the promises become unconditional.

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of the donation.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by IVSN. IVSN volunteers assisted in fund-raising and special projects throughout the year. The value of volunteer time is not reflected in the accompanying financial statements since it does not meet the above criteria.

Client program fees and special event revenue are recognized as revenue when the programs and special events occur.

m. Income Tax Status

IVSN is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and from California income tax under Section 23701(d) of the California Revenue and Taxation Code. Therefore, no provision is made for current or deferred income taxes. IVSN has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the IRC.

Management evaluated IVSN's tax positions and concluded that IVSN had maintained its tax exempt status and had not taken uncertain tax positions that required adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

InnVision Shelter Network

Notes to Consolidated Financial Statements

n. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Changes in Net Assets and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among programs and supporting services based on factors such as total costs incurred or relative payroll expense.

o. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

p. Reclassifications

Certain 2014 accounts have been reclassified to conform to the 2015 financial statement presentation. These reclassifications have no impact on net assets or changes in net assets for the year ended June 30, 2014.

q. Comparative Financial Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with IVSN's financial statements for the year end June 30, 2014 from which the summarized information was derived.

r. Subsequent Events

IVSN has evaluated subsequent events from June 30, 2015 through December 18, 2015, the date these consolidated financial statements were available to be issued. Except for the events discussed in Note 15, there were no other material subsequent events that required recognition or disclosure in the consolidated financial statements.

InnVision Shelter Network

Notes to Consolidated Financial Statements

Note 3 - Investments:

Investments, at fair value at June 30, 2015, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Money market funds	\$ 414,513	\$ 414,513	
Certificates of deposit	53,390	53,390	
U.S. equity securities	774,590	774,590	
International equity securities	229,281	229,281	
U.S. Treasury bills and bonds	106,420		\$ 106,420
Corporate bonds	478,674		478,674
Other assets	161,364	161,364	
Total investments	<u>\$ 2,218,232</u>	<u>\$ 1,633,138</u>	<u>\$ 585,094</u>

There are no investments measured at Level 3 as of June 30, 2015.

Net investment income for the year ended June 30, 2015 is comprised of the following:

Net realized and unrealized losses	\$ (39,861)
Dividends and interest	50,242
Investment management fees	(15,355)
Total net investment income	<u>\$ (4,974)</u>

Note 4 - Promises for Future Use of Assets:

IVSN has short-term lease agreements with Mid-Peninsula Housing Coalition (MPHC), an unrelated non-profit public benefit corporation, to provide transitional and emergency housing facilities for homeless individuals and families at two shelter locations in San Mateo County - Family Crossroads and Redwood Family House. The lease agreements, which are renewed annually, include rental rates that are less than the market rate. The difference between the fair market value rent and the rent payable per the lease is recorded as donated revenue and expense.

IVSN has a long-term lease agreement, which originated in 2002, with MPHC to use certain land to operate the transitional and emergency housing facility at First Step for Families for 30 years. Under the lease, IVSN has the right, title, and interest to the improvements on the land. IVSN is required to pay electricity, water, and other utilities for the use of the facility and is also responsible for all maintenance and repairs necessary to maintain the land and building in good condition. The fair market value of the future rent at the date the promise was originally made was discounted at 7%, the applicable rate in effect at the time of the gift.

InnVision Shelter Network

Notes to Consolidated Financial Statements

For the year ended June 30, 2015, donated revenue and expense of approximately \$444,924 was recorded which related to the above three agreements.

Amounts receivable under these agreements as of June 30, 2015 are as follows:

Receivable in less than one year	\$ 250,917
Receivable in one to five years	177,355
Receivable in more than five years	499,564
	<hr/>
	927,836
Less discounts to net present value	(353,154)
	<hr/>
Total promises for future use of assets, net	\$ 574,682

Note 5 - Investments in Partnerships:

In furtherance of its tax-exempt purpose, IVSN invested in two limited partnerships that own and manage apartments for survivors of domestic violence and their children. These properties are subject to low-income housing tax credit regulations and compliance requirements under IRC Section 42. IVSN has the option to acquire the properties at the end of their respective tax credit compliance periods in accordance with terms of the purchase agreements. Following is information as of June 30, 2015 relating to these partnerships in which IVSN is a co-general partner with Caritas Housing, an unrelated non-profit organization.

<u>Partnership Name</u>	<u>% Interest</u>	<u>Investment</u>
HomeSafe Santa Clara L.P.	0.05%	\$ 129,276
HomeSafe San Jose L.P.	0.05%	883,672
		<hr/>
Total investment in partnerships		\$ 1,012,948

Total assets for HomeSafe Santa Clara L.P. and HomeSafe San Jose L.P. were approximately \$2,991,059 and \$5,086,296, respectively, and total liabilities were approximately \$2,733,000 and \$3,142,000 respectively, according to the partnerships' unaudited financial statements as of June 30, 2015.

The general partners have agreed to advance amounts necessary to cover operating deficits by making an interest free loan to the partnership, subject to certain limitations, payable out of net cash flows. Advances receivable from these partnerships of approximately \$104,000 are included in other assets.

The general partners have agreed to indemnify the limited partners for the tax benefits expected by the limited partners, subject to certain limitations.

InnVision Shelter Network

Notes to Consolidated Financial Statements

Note 6 - Property and Equipment:

Property, equipment and improvements and accumulated depreciation are as follows at June 30, 2015:

Land	\$ 5,096,379
Buildings and improvements	16,846,679
Leasehold improvements	1,156,822
Equipment, furniture, and software	1,508,649
Vehicles	304,534
	<hr/>
	24,913,063
Less accumulated depreciation	(10,220,105)
	<hr/>
Total property and equipment, net	\$ 14,692,958

Depreciation and amortization expense for the year ended June 30, 2015 was \$744,726.

As discussed in Notes 7 and 8, many properties serve as collateral for notes and loans payable and forgivable advances. Many of those properties are restricted as to use and cannot be sold or transferred, except through consent of note holders of those properties. The cost of land and buildings included in the table above that are restricted as to use is approximately \$20,919,000. Net book value of those assets is approximately \$13,400,000 at June 30, 2015.

Note 7 - Loans and Notes Payable:

Loans and notes payable consist of the following as of June 30, 2015:

Loan payable to the David & Lucile Packard Foundation, (original amount \$3,000,000), collateralized by a deed of trust on certain property in San Jose, California. The loan bears interest at 1% per year. Principal payments of \$50,408 and accrued interest are due quarterly, commencing in October 2015 through July 2023. In December 2014, IVSN disposed of a building it owned in San Jose, California that had been collateral on this loan. IVSN paid down the loan by \$700,000 from the proceeds of the sale, and negotiated certain terms of the loan agreement. The loan contains certain covenants requiring certain consents of the loan holder and the maintaining of certain asset balances for debt performance.

\$ 1,656,326

InnVision Shelter Network

Notes to Consolidated Financial Statements

Hester Avenue

Note payable to Housing Trust of Santa Clara County, (original amount \$130,000), collateralized by the Hester Avenue property. The note bears no interest. Principal is due upon maturity in December 2060.

130,000

Note payable to the City of San Jose, (original amount \$425,000), collateralized by the Hester Avenue property. The 55 year note bears no interest and requires annual payments of the lesser of principal on a 30 year amortization or 50% of net cash flow of the property. No payments are required should there be negative cash flow. All remaining principal is due upon maturity in May 2061.

425,000

Graduate House

Note payable to the County of Santa Clara, (original amount \$200,000), collateralized by the Graduate House property. The 30 year note bears interest at 5.75% per year. Principal and accrued interest are due upon maturity in February 2025.

200,000

Other

50,992

Total

2,462,318

Less current portion

(217,528)

Long-term portion of loans and notes payable

\$ 2,244,790

InnVision Shelter Network

Notes to Consolidated Financial Statements

Future annual principal payments on the above notes and loans are as follows:

Year Ending June 30,

2016	\$ 217,528
2017	229,585
2018	201,633
2019	201,633
2020	201,633
Thereafter	1,410,306
<hr/>	
Total future payments	\$ 2,462,318

The above notes and loans generally contain provisions restricting the use of the property to such purposes as shelters for low income families or transitional housing. If defaults occur relating to those restrictions or other covenants, the holder of the debt could accelerate payment, among other options available.

Note 8 - Forgivable Advances:

Forgivable advances represent funds that have been advanced to IVSN in the past, primarily to refurbish various properties. These advances are forgivable as long as IVSN maintains the properties as emergency, transitional, or longer term supportive housing for homeless and low-income individuals and families in San Mateo and Santa Clara Counties. As of June 30, 2015, forgivable advances consisted of the following:

County of San Mateo – Haven Family House	\$ 936,500
Community Development Block Grant for transitional housing and support services:	
County of San Mateo	426,020
City of San Mateo	81,317
HOME Investment Partnership:	
County of San Mateo	283,333
City of San Mateo	202,017
Mid Peninsula Coalition Belle Haven, Inc.	593,500

InnVision Shelter Network

Notes to Consolidated Financial Statements

State of California Department of Housing and Community Development:	
Emergency Housing & Assistance Program	500,000
City of San Jose:	
Villa	624,709
Julian Street Inn	860,000
Georgia Travis (formerly Commercial Street) Inn	447,150
Montgomery Street Inn	700,000
City of Mountain View	
Graduate House	245,697
County of Santa Clara	
Steven's House	73,686
Montgomery Street Inn	1,083
County of San Mateo	
First Step for Families	11,700
Elsa Segovia Center/Clara-Mateo Alliance Shelter	175,000
<hr/>	
Total forgivable advances	\$ 6,161,712

Haven Family House

Note payable to the County of San Mateo, collateralized by a deed of trust on Haven Family House. The 30 year note, maturing in December 2015, bears no interest and requires no principal payments. If IVSN is still operating the facility at maturity, the principal will be forgiven at that time. \$ 30,000

Note payable to the County of San Mateo County Housing and Community Development, partially collateralized by a deed of trust on the Haven Family House and partially unsecured. The 30 year note, maturing in August 2029, bears no interest and requires no principal payments. If IVSN is still operating the facility at maturity, the principal will be forgiven at that time. 906,500

Note payable to Mid-Peninsula Coalition Belle Haven, Inc., collateralized by a second deed of trust on the Haven Family House. The 30 year note, maturing in May 2029, bears no interest and requires no principal payments, unless there is a default relating to obligations or restrictions on the use of the property. 593,500

InnVision Shelter Network

Notes to Consolidated Financial Statements

First Step for Families

Notes payable to the County of San Mateo, (original amount \$751,800), and the City of San Mateo, (original amount \$143,500), for Community Development Block Grants and to the HOME Investment Partnership for the County of San Mateo (original amount \$540,000), amount and the City of San Mateo, (original amount \$356,500), collateralized by a deed of trust on the property. The 30 year notes, maturing in March 2032, bear interest at 3% per year. Payments are due annually in the amount of 50% of the net surplus cash generated by the property for the year. If there is no net surplus cash, no payment is necessary. If the use of the facility does not change, one-thirtieth (1/30) of the principal will be forgiven for each full year of operation, along with accrued interest.

992,687

Note payable to the Emergency Housing and Assistance Program of the California Department of Housing and Community Development, collateralized by deed of trust on the property. The 10 year note, maturing in October 2014, bears interest at 3% per year, which accrues but is not payable until maturity, and requires no principal payments. If the use of the facility does not change for the full term of the note, the principal and accrued interest will be forgiven at maturity. IVSN is currently working with the agency to obtain a final release of liability.

500,000

Note payable to the County of San Mateo, (original amount \$25,000), unsecured. The 20 year note, maturing in August 2021, bears interest at 3% per year and requires no principal payments. If the use of the facility does not change, 25% of the principal will be forgiven at the end of each five year period and all accrued interest will be forgiven at maturity.

11,700

InnVision Shelter Network

Notes to Consolidated Financial Statements

Villa

Note payable to the City of San Jose, collateralized by deed of trust on the property. The note, which matures in July 2029, bears no interest, and requires no principal payments. However, if the approved use of the property changes or sale of the property occurs prior to July 2029, interest will retroactively increase to 3% per year from the date of recordation of the deed of trust. If conditions do not change relating to the property, the principal will be forgiven upon maturity.

624,709

Julian Street Inn

Note payable to the City of San Jose, collateralized by a deed of trust on the property. The 55 year note, which matures in August 2062, bears no interest and requires no principal payments. If the use of the facility does not change, the principal will be forgiven upon maturity.

860,000

Georgia Travis Inn (formerly Commercial Street Inn)

Note payable to the City of San Jose, collateralized by a deed of trust on the property. The 30 year note, maturing in May 2017, bears no interest and requires no principal payments. The principal will be forgiven upon maturity. However, if changes in the use of the property occur, interest will retroactively increase to 3% per year from the origination date of the note to the date of change in use of the property, and the principal and interest shall become immediately due.

447,150

Montgomery Street Inn

Note payable to the City of San Jose, collateralized by a deed of trust on the property. The 30 year note, which matures in December 2025, bears no interest and requires no principal payments. The principal will be forgiven upon maturity. However, if changes in the use of the property occur, interest will increase to 3% per year from the date of change in use of the property, and the principal and interest shall become immediately due.

700,000

InnVision Shelter Network

Notes to Consolidated Financial Statements

Note payable to the County of Santa Clara, (original amount \$130,000), collateralized by a deed of trust on the property, subordinated to other deeds of trust on the property. The 10 year note, which matures in July 2015, bears no interest. Principal of \$13,000 is forgivable each year for 10 years if no changes in the use of the property occur. However, if changes do occur, the principal shall be payable upon maturity. IVSN is currently working with the County of Santa Clara to obtain a final release of liability. 1,083

Graduate House

Note payable to the City of Mountain View, collateralized by a deed of trust on the property, subordinated to another deed of trust on the property. The 33 year note, which matures in September 2034, bears no interest and requires no principal payments. The principal will be forgiven upon maturity if there are no violations with the terms of the related regulatory agreement and other agreements. 245,697

Steven's House

Note payable to the County of Santa Clara, (original amount \$130,000), unsecured. The 10 year note, maturing in February 2021, bears no interest. If the use of the facility does not change, principal of \$13,000 is forgivable each year. 73,686

Elsa Segovia Center/Clara-Mateo Alliance Shelter

Note payable to County of San Mateo, (original amount \$350,000), unsecured. The 20 year note, which matures in December 2021, bears interest at 3% per year. If the use of the facility does not change, 25% of the principal and accrued interest will be forgiven every 5 years through the maturity date. The center was closed in April 2011. IVSN is working with the County of San Mateo to identify another program site to provide services required under the loan agreement. 175,000

Total principal portion of advances	6,161,712
Less current portion	(602,476)

Long-term portion of forgivable advances	\$ 5,559,236
--	--------------

InnVision Shelter Network

Notes to Consolidated Financial Statements

Principal of approximately \$84,000 and interest of approximately \$26,000 was forgiven during the year ended June 30, 2015.

The forgivable advances generally contain restrictions on the use of the related property for certain purposes that meet the objectives of the note holder and IVSN. Some of the notes require compliance with related agreements and contain other requirements for IVSN. If such restrictions are not maintained or if other requirements are not followed, the note holder has various remedies that could occur, including, for some, requiring payment of the advance and/or interest. Management believes that noncompliance is remote and that compliance, and, therefore, forgiveness of the advances, is reasonable to anticipate.

Future forgiveness of principal on the advances are estimated as follows (presuming there are no events of default or changes in the uses of the facilities):

<u>Year Ending June30,</u>	
2016	\$ 602,476
2017	612,293
2018	71,393
2019	71,393
2020	71,393
Thereafter	4,732,764
Total future forgiveness	\$ 6,161,712

Note 9 - Temporarily Restricted Net Assets:

Temporarily restricted net assets at June 30, 2015 consist of the following:

Client services and assistance	\$ 104,815
Alexander House	75,000
Graduate House	83,169
Food services	77,605
Children's programs	30,345
Marketing support	73,501
Facilities improvements	33,353
Promises for future use of assets:	
First Step for Families	356,461
Redwood Family House	131,456
Family Crossroads	86,765
Other time restrictions	336,648
Total temporarily restricted net assets	\$ 1,389,118

InnVision Shelter Network

Notes to Consolidated Financial Statements

Net assets of \$542,950 were released from donor restrictions during the year ended June 30, 2015 by incurring expenses satisfying the purpose restrictions or by meeting the time restrictions specified by donors.

Note 10 - Donated Goods and Services:

Donated legal services of approximately \$86,627 and donated goods of approximately \$947,000 were recorded as revenues and expenses for the year ended June 30, 2015.

In 2015, IVSN improved its ability to utilize certain in-kind donations for the benefit of its programs and therefore began recognizing gifts that previously were not considered recognizable under U.S. GAAP.

Note 11 - Retirement Plan:

IVSN has a retirement plan that covers all full-time employees with one year of service in which they have worked 1,000 hours, and who are at least 18 years of age. The plan allows employees to defer up to a maximum of \$17,500 of their earned wages. The plan also allows for a discretionary contribution up to 3% of the employees' wages with an additional matching contribution equal to the first 2% of the employee contribution. The employer retirement plan contribution for the year ended June 30, 2015 was approximately \$15,000.

Note 12 - Operating Leases:

IVSN has non-cancelable operating leases for several facilities and for equipment located at various shelter locations and at the administrative offices that expire at various dates. Rental expense under these leases for the year ended June 30, 2015 was approximately \$376,584.

IVSN leases its main corporate office in Menlo Park under an operating lease that provides for free rent for the first three months starting July 1, 2013, then monthly payments of \$16,134 for the remainder of the first year; then increasing each year up to \$21,989 per month for the tenth year of the lease. In addition IVSN has agreed to reimburse the Landlord for tenant improvements in the amount of \$2,448 per month for 120 months starting July 1, 2013.

As a result of IVSN's merger in 2012, it assumed a lease for corporate office space occupied by InnVision the Way Home until July 1, 2013, the first year of the merger. These offices were vacant until IVSN sub-leased the space in August of 2014 for \$7,067 per month. The primary lease payments are \$12,367 per month and will expire at September 30, 2015. IVSN pays 16.4% of the building annual operating expenses.

InnVision Shelter Network

Notes to Consolidated Financial Statements

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2015 are as follows:

<u>Years Ending June 30,</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
2016	\$ 296,492	\$ 83,075	\$ 379,567
2017	266,050	68,069	334,119
2018	267,864	15,495	283,359
2019	246,266		246,266
2020	254,314		254,314
Thereafter	904,976		904,976
Total future payments	\$ 2,235,962	\$ 166,639	\$ 2,402,601

Note 13 - Commitments and Contingencies:

IVSN has received multi-year cost-reimbursement grants from the U.S. Department of Housing and Urban Development and other state and local government agencies and has entered into regulatory agreements, the terms of which require resources to be used in accordance with said agreements, which includes operating methods, rental charges, length of stay and other matters. Amounts received from the funding agencies may be required to be repaid to the agencies if not used for the purposes for which they are intended. No provision has been made for any liabilities that may arise from special audits that may be performed by these government agencies. IVSN believes that it has been in compliance with all such agreements.

In connection with the paying off of a mortgage secured by the Villa property in June 2009, Inn Vision the Way Home received a conditional grant from the City of San Jose of \$578,240. The grant agreement established new guidelines on the maximum income levels of new tenants through 2064.

IVSN requires its clients to save funds so that they will be able to accumulate enough money to afford the initial cost of providing their own housing. At June 30, 2015, IVSN held \$107,230 of participant funds in two bank accounts. These funds are not included on IVSN's Consolidated Statement of Financial Position.

Note 14 - Concentrations of Risk:

IVSN is especially vulnerable to the inherent risks associated with revenue that is substantially dependent on government funding, public support, and contributions. The continued growth and well-being of IVSN is contingent upon successful achievement of its long-term revenue-raising goals.

InnVision Shelter Network

Notes to Consolidated Financial Statements

IVSN has defined its financial instruments, which are potentially subject to risk as cash, cash equivalents, receivables, investments, promises for future use of assets, investments in partnerships, loans and notes payable and forgivable advances.

At times, IVSN has cash deposits in financial institutions in excess of federally insured limits. Receivables are due from various sources, including federal, state and local governments. Investments are diversified as described in Note 3. Promises for future use of assets are due from a nonprofit organization and described in Note 4. Investments in partnerships relate to two partnerships in which IVSN is a co-general partner as discussed in Note 5. Loans and notes payable and forgivable advances are due to various lenders and include restrictions as described in Notes 7 and 8.

Note 15 - Subsequent Events:

In February 2013 IVSN was awarded a capital development loan of \$1,000,000 from the California Department of Housing and Community Development in anticipation of starting a project to improve the facility at Family Crossroads. In October 2015, the facility was purchased from Mid-Peninsula Housing for \$1. Ownership of the facility was transferred to a wholly-owned limited liability company. The appraised fair value of the facility at the time of purchase was approximately \$3,500,000. IVSN began the renovation construction in November 2015. The project is expected to cost approximately \$3,400,000. Additional funding of approximately \$2,400,000 was secured from the County of San Mateo.



February 2, 2016

Hang L. Huynh
Assistant Housing Planner
City of Milpitas
Planning & Neighborhood Services Dept.
455 East Calaveras Boulevard
Milpitas, CA 95035

Dear Ms. Huynh and Friends at the City of Milpitas,

BOARD OF DIRECTORS

Richard Haas
Cheryl Harvey
Lisa Jackson
Myra Marquez
Michael Miller
Denise Morris
Rev. Tom Sramek, Jr.
Paul Steele
Hannah Toloui

Thank you for the CDBG application packet for FY 2016-2017 and the opportunity to request support from the City of Milpitas for specialized adult day care and caregiver respite services provided by LIVE OAK ADULT DAY SERVICES. Enclosed are an original plus one copy of our completed application.

We are requesting \$5,400, the amount of our current funding. These funds will be appropriated exclusively to the cost of adult day care services for frail, dependent, low-income senior residents of Milpitas.

ADVISORY COUNCIL

Nancy Franklin
Leta Friedlander
Beverly Houghton
Dr. Robert A. Hersch
Dale Hill
Janet Hill
Kim Kennedy
Kay Kvenvold
Ian Lamdin
Mary Jane Pattie
Charles "Bud" Stump
Rev. Tom Sramek Jr.

LIVE OAK has been providing affordable and appropriate care for dependent, disabled and low-income seniors since 1983. Our clients' disabilities prevent them from partaking in mainstream community senior programs geared for healthy, able-bodied adults. The four LIVE OAK adult day care centers in Santa Clara County offer life-enhancing recreation, mental stimulation, physical exercise, nutritious meals and peer companionship to over 300 frail seniors every year. Milpitas residents attend the San Jose (Willow Glen) center.

The adult day care program is also an invaluable source of respite and support for family caregivers who undergo great stress and health risks associated with the challenges of caring for a dependent senior. LIVE OAK is a critical factor in enabling families to care for their loved one in the home. Over 92% of our senior clients avoid institutionalization every year.

EXECUTIVE DIRECTOR

Colleen Hudgen

We truly appreciate the longstanding support and confidence we have received from the City of Milpitas and eagerly look forward to a productive partnership in the coming year.

Sincerely,

Colleen Hudgen,
Executive Director
Encl.



1147 Minnesota Ave.
San Jose, CA 95125
(408) 971-9363

111 Church Street
Los Gatos, CA 95030
(408) 354-4782

651 West Sixth Street
Gilroy, CA 95020
(408) 847-5491

20920 McClellan Road
Cupertino, CA 95014
(408) 973-0905

BOARD RESOLUTION

It was M/S/C M. Miller/ D. Morris/ T. Sramek by the Board of Directors that Ms. Colleen Hudgen, Executive Director of LIVE OAK ADULT DAY SERVICES, be approved as the authorized representative of LIVE OAK ADULT DAY SERVICES with full authorization to negotiate and sign contracts on behalf of
LIVE OAK ADULT DAY SERVICES.

It was also M/S/C M. Miller/ D. Morris/ T. Sramek by the Board of Directors and resolved that Ms. Toni A. Ensunsa, Chief Operations Officer of LIVE OAK ADULT DAY SERVICES, 1147 Minnesota Avenue, San Jose, CA 95125, (408) 971-9363, be authorized to submit reports and requests for reimbursement from the Cities of Campbell, Cupertino, Gilroy, Milpitas, Santa Clara, Sunnyvale and the Town of Los Gatos, or any other government, corporate or foundation sources.

Tom Sramek

Tom Sramek, Chair

Date: 1/26/2016



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: LIVE OAK ADULT DAY SERVICES Date: February 2, 2016

Address: 1147 Minnesota Avenue
Street Address Suite Number

San Jose CA 95125
City State ZIP Code

Phone: (408) 971-9363 Email: liveoakdaycare@attglobal.net

Executive Director: Colleen Hudgen

Project Manager (PM): Colleen Hudgen

PM's Phone: (408) 971-9363 PM's Email: liveoakdaycare@attglobal.net

DUNS #: 148217268

Type of Agency:

- 501 (c)(3)**
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service**
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency Mission:

The mission of LIVE OAK ADULT DAY SERVICES is to serve the frail and dependent senior population of Santa Clara County with a specialized program of care and recreational activities in a protected environment that will enhance the quality of their lives and effectively prevent, or delay, their institutionalization. Our companion goal is to provide respite and support to the caregivers of our participants.

Section B: Funding Request

Total funding requested for this project	\$5,400
Total cost of project	\$1,210,369
Other funds leverage for project i.e. Private Donations (estimation)	\$1,210,369
Other funds not secured by project	\$0
Are you getting County assistance, if so, please list	\$20,000 (CDBG)

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Project goals/objectives would be reduced to reflect funding level. We maintain a 5:1 client-staff ratio to ensure safety, quality care and individual attention for the special needs of fragile seniors. Any funding reduction directly impacts the number of clients we can serve, our ability to maintain all centers at capacity enrollment so that we can serve as many seniors and caregivers in need as possible, and days and hours of operation (currently Monday through Friday, 9 a.m.-3 p.m.). It is an agency priority to maintain a diverse funding base of both government and private resources to ensure stability and continued provision of services in the event of a loss or reduction of funds. Fundraising is an ongoing priority shared by both staff and Board. Proposals with known donors are renewed annually, (including CDBG funds from all cities whose residents we serve) and new sources approached. We research developments in the nonprofit arena, participate in local fundraising events (e.g., Gilroy Garlic Festival, United Way campaigns, corporate health fairs, etc.), attend informational meetings and coordinate special fundraising events to supplement the budget. Client families are encouraged by staff to contribute as much as they are able to the cost of services for their enrolled senior. Program fees typically account for about one-third of the agency's operating budget.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Yes. 2015-16 \$5337.75; 2014-15 \$5,000; and all preceding years back to 2001-02.

Section C: Project Eligibility

Targeted Clientele: Frail, dependent, low-income seniors aged 65+, and their family caregivers

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

LIVE OAK ADULT DAY SERVICES will provide a specialized program of recreational adult day care for frail, dependent, low-income seniors providing age-appropriate social activities and recreation, adaptive physical exercise, musical entertainment, arts and crafts, interactive games and reality-orienting discussions. Nutritious breakfasts, hot lunches and snacks are integral to the program and served to all senior participants every day, including dietary supplements and restrictions. All components of the program are geared to maximize mental stimulation and alertness, sustain / improve innate resilience, independence and mobility, and improve overall functioning. Program staff provide direct client care with individualized attention for special needs. Community volunteers and student interns assist in serving meals, conducting activities and providing companionship. Seniors benefit from a life-enhancing, secure setting offering socialization, peer contact and nutrition. Family caregivers, as well, benefit from much-needed respite and "time away" which enhance their ability to care for their senior loved one at home. Support services for our client families include informal case management, counseling, Caregiver Support Workshops, home assessments, information and referrals. LIVE OAK's adult day care and caregiver respite services are a life-enhancing mode of care for dependent seniors, a dignified and cost-effective option to institutionalization, and an invaluable source of relief and stress reduction for family members.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

- Abused children
- Elderly persons 62 years or older**
- Battered persons
- Severely disabled adults (not children) as defined by the Census**
- Illiterate adults
- Persons living with HIV/AIDS
- Migrant farm workers
- Homeless persons

(b) **At least 51% of clientele to be served will be documented as LMI**

(3) Housing (select from the options below):

- Single Family (must be 100% LMI)
- Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	Last complete fiscal year 2014-15: 338. First 6 months of 2015-16: 335.	300+ agency-wide 10 Milpitas clients	Last complete fiscal year 2014-15: 5. First 6 months of 2015-16: 6.
2. Cost Per Client Annually			\$5,400 awarded / 10 clients - \$540 per client.
3. How many are low- and very-low income?	Last complete fiscal year 2014-15: 288. First 6 months of 2015-16: 292.		Last complete fiscal year 2014-15: All 5. First 6 months of 2015-16: All 6.
4. Will the proposed assistance result in increase in clients? State projected number.	No		No

5. What is the total number of unduplicated clients/households to be served?	300	300	10
--	-----	-----	----

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Salaries, Assistant Program Director's salary.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Statistical data are collected on Intake Forms, written caregiver surveys and family interviews, as well as demographic data we report to the State of California. We request income information from each participating family when a client is enrolled in the program. LIVE OAK has 33 years' history of providing adult day care and respite services for frail seniors and their caregivers. Annual demographic and statistical data consistently indicate that about 92% of our senior clients are at very low and low income levels.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

Live Oak staff meet with the City of Milpitas Case managers and Social Workers who make direct referrals to the program. Additionally, Live Oak staff drop off brochures and Live Oak collateral at hospitals and the community center and attend community events such as health fairs to meet with Milpitas residents to provide information about the Live Oak Adult Day Care Program.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.

Colleen Hudger
Signature of Executive Officer

2/2/16
Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Adult Day Care
LIVE OAK ADULT DAY SERVICES

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	\$5,400	PLEASE SEE		
Benefits		COMPUTERIZED		
Rent		AGENCY FINANCIAL		
Telephone		STATEMENT		
Postage				
Printing (including Ads)				
Supplies				
Travel				
Utilities				
Equipment & Maintenance				
Dues & Subscriptions				
Accounting Services				
Contract Services				
Insurance				
Conference				
Miscellaneous				
TOTAL	\$5,400			

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Adult Day Care

LIVE OAK ADULT DAY SERVICES

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Colleen Hudgen	10	Write PSO/News Release Attend Community Meetings Target Outreach Research Grant Opportunities	Educate and inform Milpitas residents about new adult day care and caregiver respite services.

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Project Name: Adult Day Care LIVE OAK ADULT DAY SERVICES

Program Year 2016-17

Date Prepared: 2/1/2016

Revisions Final Approval

Approved Revisions _____

Project Coordinator: Colleen Hudgen, Executive Director

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Provide adult day care services for frail, dependent, low-income, at-risk seniors.*	ON			ON			ON			ON		
Provide nutritious meals (breakfasts and lunches) to all senior clients.*	GOING			GOING			GOING			GOING		
Provide information, assistance and referrals to clients' families.*	THROUGH OUT			THROUGH OUT			THROUGH OUT			THROUGH OUT		
Prepare Client Assessment and Appraisal forms.*	FISCAL			FISCAL			FISCAL			FISCAL		
Provide respite and support services for clients' family caregivers.*	YEAR			YEAR			YEAR			YEAR		

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No

Schedule Prepared By Colleen Hudgen Title Executive Director

All activities will begin July 1, 2016 and continue during entire fiscal year ending June 30, 2017. This project will be incorporated into the agency's ongoing workload.

PROGRAM YEAR 2016-2017

Project Name: Adult Day CareLIVE OAK ADULT DAY SERVICESDate: February 1, 2016

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	55,604	55,604	55,604	55,604	55,604	55,605	55,605	55,605	55,605	55,605	55,605	55,605	667,255
Benefits	9,488	9,488	9,488	9,488	9,488	9,488	9,488	9,488	9,488	9,488	9,488	9,489	113,857
Rent	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,599	1,599	19,198
Telephone	967	967	967	967	967	967	967	967	967	967	967	966	11,603
Postage	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Printing (incl. Ads)	1,143	,1143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	13,716
Supplies	8,763	8,763	8,763	8,763	8,763	8,763	8,763	8,763	8,763	8,763	8,763	8,764	105,157
Travel	43	43	43	43	43	43	43	43	43	43	43	44	517
Utilities	1,033	1,033	1,033	1,033	1,033	1,033	1,034	1,034	1,034	1,034	1,034	1,034	12,402
Equip./Maintenance	222	222	222	222	222	222	222	222	222	222	222	221	2,663
Dues & Subscriptions	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Accounting Services	4,062	4,062	4,062	4,062	4,062	4,062	4,062	4,062	4,062	4,061	4,061	4,061	48,741
Contract Services	3,269	3,269	3,269	3,269	3,269	3,269	3,270	3,270	3,270	3,270	3,270	3,270	39,233
Insurance	206	206	206	206	206	206	206	206	206	206	206	207	2,473
Conference	74	74	74	74	74	74	74	74	74	74	74	75	889
Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	1,200
TOTAL	87,074	87,074	87,074	87,074	87,074	87,075	87,077	87,077	87,077	87,076	87,077	87,080	1,044,904



FINANCIAL STATEMENTS

12/31/2015

Live Oak Adult Day Services

TABLE OF CONTENTS

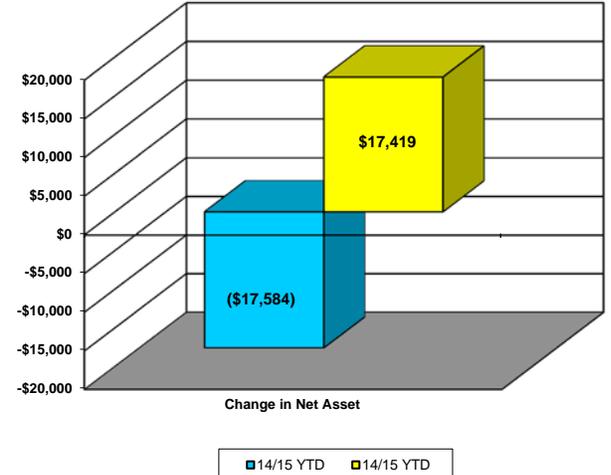
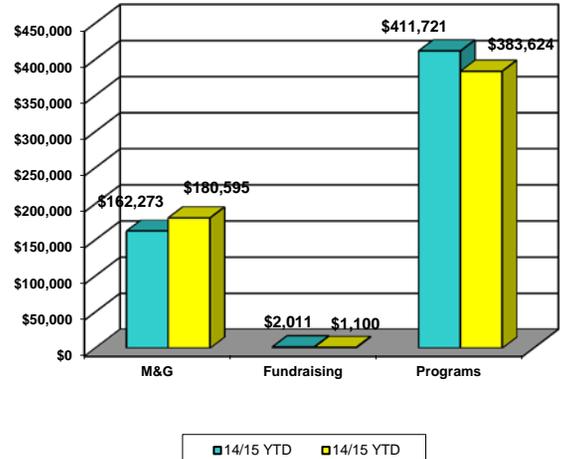
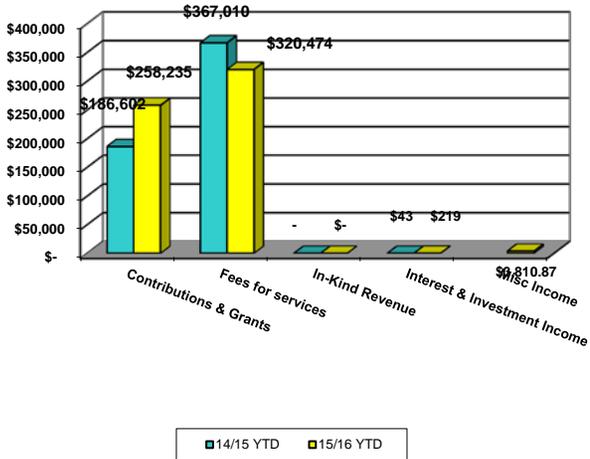
	<u>Page</u>
DASHBOARD	1
STATEMENT OF ACTIVITIES	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF CASH FLOWS	4
NET SURPLUS/(DEFICIT) BY PROGRAM	5
REVENUE BY PROGRAM	6
EXPENSE BY PROGRAM	7
<u>CONSOLIDATED SUMMARY</u>	8
CONSOLIDATED STATEMENT OF ACTIVITIES	9
<u>SUPPORT SERVICES</u>	10
MANAGEMENT & GENERAL	11
FUNDRAISING	12
<u>PROGRAM SERVICES</u>	13
WILLOW GLEN	14
CUPERTINO	15
LOS GATOS	16
GILROY	17
Release Schedule	18

Live Oak Adult Day Services
 Dashboard Y-T-D Report
 YTD December 31, 2015
 Financial Information Highlights

Year to Date Revenue \$ 582,739

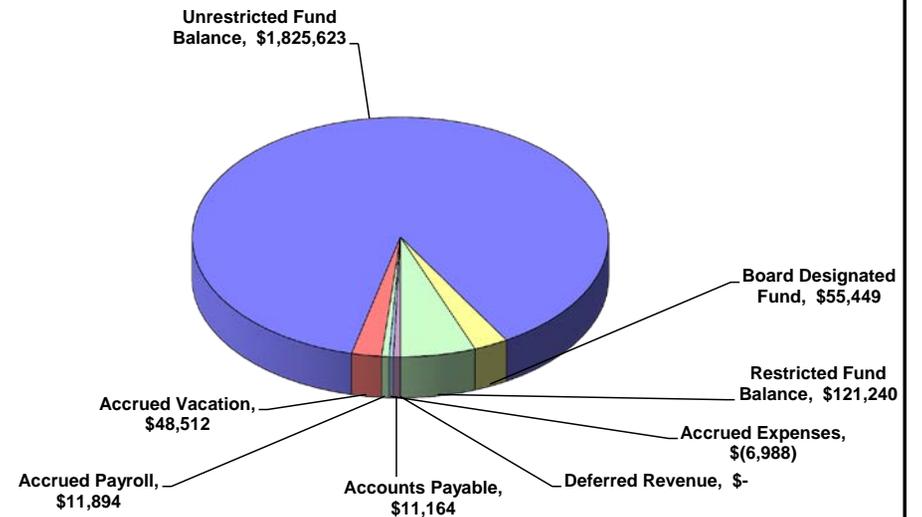
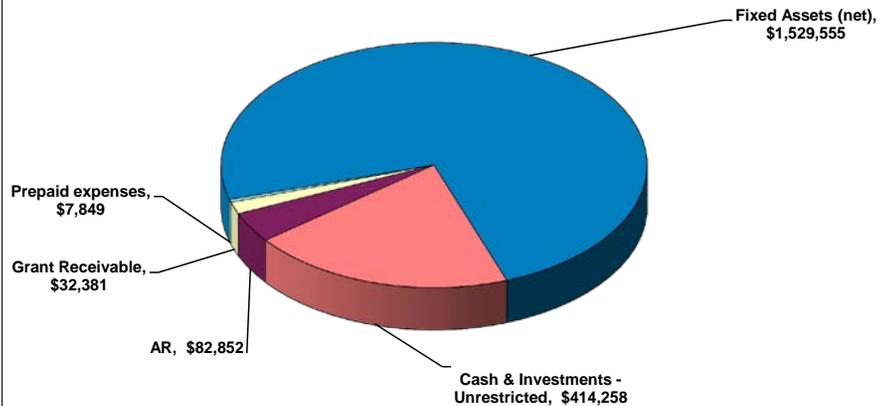
Year to Date Expense \$565,320

YTD Change in Net Assets \$ 17,419



Statement of Financial Position
 Assets \$ 2,066,895

Statement of Financial Position
 Liabilities & Net Assets \$ 2,066,895



**Live Oak Adult Day Services
Statement of Activities - Combined Report
For the Period Ended December 31, 2015**

	Monthly Actual	Monthly Budget	Monthly Variance	6 Months Y-T-D Actual	6 Months Y-T-D Budget	6 Months Y-T-D Variance
CHANGES IN UNRESTRICTED NET ASSETS:						
Public Support:						
Contributions	\$ 12,245	\$ 6,987	\$ 5,258	\$ 47,027	\$ 41,922	\$ 5,105
Government Grants	-	22,017	(22,017)	85,642	132,102	(46,460)
Foundation & Corporate Grants	9,690	6,399	3,291	124,020	38,394	85,626
United Way	176	254	(78)	1,546	1,524	22
Total Public Support	22,111	35,657	(13,546)	258,235	213,942	44,293
Other Revenue:						
Fees for Services	53,725	63,618	(9,893)	320,474	381,708	(61,234)
Interest & Investment Income	39	15	24	219	90	129
Miscellaneous Income	4,448	681	3,767	3,811	4,086	(275)
Net Assets Released from Restrictions	6,051	-	6,051	14,966	-	14,966
Total Public Support and Other Revenue	86,374	99,971	(13,597)	597,705	599,826	(2,121)
Expenses:						
Program Services						
Willow Glen	21,746	23,473	1,727	127,996	140,837	12,841
Cupertino	15,770	17,295	1,525	94,622	103,767	9,146
Los Gatos	15,601	14,978	(623)	80,945	89,867	8,923
Gilroy	13,804	13,956	152	80,061	83,733	3,672
Total Programs Services	66,920	69,701	2,781	383,624	418,206	34,582
Supporting services:						
Management & General	37,417	30,197	(7,221)	180,595	191,480	10,885
Fundraising	-	638	638	1,100	3,828	2,728
Total Supporting Services	37,417	30,835	(6,583)	181,696	195,308	13,612
Total Expenses	104,337	100,536	(3,802)	565,320	613,514	48,194
Increase / (Decrease) in Unrestricted Net Assets	\$ (17,963)	\$ (565)	\$ (17,398)	\$ 32,385	\$ (13,688)	\$ 46,073
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:						
Contributions	\$ -	\$ 338	\$ (338)	\$ -	\$ 2,028	\$ (2,028)
Corporate & Foundation	-	-	\$ -	\$ -	-	\$ -
Net Assets Released from Restrictions	(6,051)	-	(6,051)	(14,966)	-	(14,966)
Increase / (Decrease) in Temporarily Restricted Net Assets	\$ (6,051)	\$ 338	\$ (6,389)	\$ (14,966)	\$ 2,028	\$ (16,994)
CHANGE IN NET ASSETS Y-T-D	\$ (24,014)	\$ (227)	\$ (23,787)	\$ 17,419	\$ (11,660)	\$ 29,079
NET ASSETS AT BEGINNING OF YEAR				1,984,892		
NET ASSETS AT END OF PERIOD				\$ 2,002,312		

Live Oak Adult Day Services
Statement of Financial Position - Combined Comparison
December 31, 2015

	12/31/2015 Combined	11/30/2015 Combined	Monthly Chg. Incr./(Decr.)	unAudited 6/30/2015 Combined	YTD Incr./(Decr.)
ASSETS:					
Current Assets					
Cash	\$ 414,258	\$ 396,547	\$ 17,711	\$ 331,998	\$ 82,260
Accounts Receivable	82,852	93,951	(11,099)	103,941	(21,089)
Grants Receivable	32,381	57,452	(25,071)	67,188	(34,807)
Prepaid Expenses	7,849	7,537	312	1,956	5,893
Total Current Assets	<u>537,339</u>	<u>555,487</u>	<u>(18,148)</u>	<u>505,083</u>	<u>32,256</u>
Fixed Assets					
Furniture, Fixtures, Equipment	2,170,580	2,170,580	-	2,170,580	-
Accumulated Depreciation	(641,025)	(637,804)	(3,221)	(621,701)	(19,323)
Total Fixed Assets	<u>1,529,555</u>	<u>1,532,776</u>	<u>(3,221)</u>	<u>1,548,878</u>	<u>(19,323)</u>
TOTAL ASSETS	<u>\$ 2,066,895</u>	<u>\$ 2,088,263</u>	<u>(21,368)</u>	<u>\$ 2,053,961</u>	<u>12,933</u>
LIABILITIES & NET ASSETS:					
Current Liabilities					
Accounts Payable	11,164	8,213	2,951	7,851	3,314
Other Accrued Liabilities	(6,988)	(4,092)	(2,896)	3,344	(10,332)
Accrued Payroll Liabilities	11,894	9,304	2,590	9,362	2,532
Accrued Vacation	48,512	48,512	-	48,512	-
Deferred Revenue	-	-	-	-	-
Total Current Liabilities	<u>64,583</u>	<u>61,937</u>	<u>2,646</u>	<u>69,069</u>	<u>(4,486)</u>
TOTAL LIABILITIES	<u>64,583</u>	<u>61,937</u>	<u>2,646</u>	<u>69,069</u>	<u>(4,486)</u>
FUND BALANCE					
Unrestricted Net Assets	1,825,623	1,843,586	(17,963)	1,793,237	32,385
Board Designated Unrestricted Net Assets	55,449	55,449	-	55,449	-
Temporarily Restricted Net Assets	121,240	127,291	(6,051)	136,206	(14,966)
TOTAL NET ASSETS	<u>2,002,312</u>	<u>2,026,326</u>	<u>(24,014)</u>	<u>1,984,892</u>	<u>17,419</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 2,066,895</u>	<u>\$ 2,088,263</u>	<u>\$ (21,368)</u>	<u>\$ 2,053,961</u>	<u>\$ 12,933</u>

**Live Oak Adult Day Services
Statement of Cash Flows
For the Period from July 1, 2015 to December 31, 2015**

	Jul-15 to Dec-15 Y-T-D Change
Operating Activities:	
Net Surplus / (Deficit) - Increase / (Decrease) in net assets	\$ 17,419
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	19,323
Unrealized Gain or Loss	
Changes in operating assets and liabilities:	
(Increase) / decrease of receivables -- net	55,897
(Increase) / decrease prepaid expenses -- net	(5,893)
Increase / (decrease) in accrued accounts payable - net	3,314
Increase / (decrease) in accrued expenses - net	(10,332)
Increase / (decrease) in accrued payroll - net	2,532
Increase / (decrease) in accrued vacation - net	-
Increase / (decrease) in deferred revenue - net	-
Net cash provided by operating activities	\$ 82,260
Investing activities:	
Fixed Asset purchases and disposition of property - net	-
Net increase / (decrease) in cash Y-T-D	\$ 82,260
Cash at beginning of year	331,998
Cash at end of period	\$ 414,258

**Live Oak Adult Day Services
Net Surplus/(Deficit) by Program
December 31, 2015**

	Monthly Actual Net Surplus/(Deficit)	Monthly Budgeted Net Income/(Loss)	Monthly Fav/(Unfav) Variance	6 Months Y-T-D Actual Net Surplus/(Deficit)	6 Months Y-T-D Budgeted Net Income/(Loss)	6 Months Y-T-D Fav/(Unfav) Variance
<u>Programs by Location</u>						
Willow Glen	\$ (3,382)	\$ 9,025	\$ (12,407)	\$ 34,656	\$ 54,151	\$ (19,494)
Cupertino	3,089	4,263	(1,174)	30,887	25,581	5,306
Los Gatos	-	482	(482)	35	2,893	(2,858)
Gilroy	(834)	999	(1,833)	20,138	5,997	14,141
Total Programs	(1,126)	14,770	(15,896)	85,715	88,620	(2,905)
<u>Support Services</u>						
Management & General	(30,200)	(28,919)	(1,282)	(172,557)	(183,812)	11,255
Fundraising	7,313	13,922	(7,885)	104,261	83,532	15,274
Total Support Services	(22,888)	(14,997)	(7,891)	(68,296)	(100,280)	31,984
Total Change in Net Assets	\$ (24,014)	\$ (227)	\$ (23,787)	\$ 17,419	\$ (11,660)	\$ 29,079

**Live Oak Adult Day Services
Revenue by Program
December 31, 2015**

	Monthly Actual Revenue	Monthly Budgeted Revenue	Monthly Fav/(Unfav) Variance	6 Months Y-T-D Actual Revenue	6 Months Y-T-D Budgeted Revenue	6 Months Y-T-D Fav/(Unfav) Variance
<u>Program by Location</u>						
Willow Glen	\$ 18,364	\$ 32,498	\$ (14,134)	\$ 162,653	\$ 194,988	\$ (32,335)
Cupertino	18,859	21,558	(2,699)	125,509	129,348	(3,839)
Los Gatos	15,601	15,460	141	80,980	92,760	(11,780)
Gilroy	12,970	14,955	(1,986)	100,199	89,730	10,469
Total Programs	65,794	84,471	(18,677)	469,340	506,826	(37,486)
<u>Support Services</u>						
Management & General	7,217	1,278	5,939	8,039	7,668	371
Fundraising	7,313	14,560	(7,247)	105,361	87,360	18,001
Total Support Services	14,530	15,838	(1,308)	113,400	95,028	18,372
Total Actual Revenue	\$ 80,324	\$ 100,309	\$ (19,985)	\$ 582,739	\$ 601,854	\$ (19,115)

**Live Oak Adult Day Services
Expense by Program
December 31, 2015**

	Monthly Actual Expense	Monthly Budgeted Expense	Monthly Fav/(Unfav) Variance	6 Months Y-T-D Actual Expense	6 Months Y-T-D Budgeted Expense	6 Months Y-T-D Fav/(Unfav) Variance	Percent of Total
<u>Programs by Location</u>							
Willow Glen	\$ 21,746	\$ 23,473	\$ 1,727	\$ 127,996	\$ 140,837	\$ 12,841	22.6%
Cupertino	15,770	17,295	1,525	94,622	103,767	9,146	16.7%
Los Gatos	15,601	14,978	(623)	80,945	89,867	8,923	14.3%
Gilroy	13,804	13,956	152	80,061	83,733	3,672	14.2%
Total Operating Programs	66,920	69,701	2,781	383,624	418,206	34,582	67.9%
<u>Support Services</u>							
Management & General	37,417	30,197	(7,221)	180,595	191,480	10,885	31.9%
Fundraising	-	638	638	1,100	3,828	2,728	0.2%
Total Support Services	37,417	30,835	(6,583)	181,696	195,308	13,612	32.1%
Total Actual Expense	\$ 104,337	\$ 100,536	\$ (3,802)	\$ 565,320	\$ 613,514	\$ 48,194	100.0%

Live Oak Adult Day Services

CONSOLIDATED SUMMARY

Live Oak Adult Day Services
Statement of Activities
Combined
For the Period Ending December 31, 2015

	Current Month			YTD			Total Budget	Budget To Go
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue								
Unrestricted								
Public Support								
Contributions	\$12,245	\$6,987	\$5,258	\$47,027	\$41,922	\$5,105	\$83,848	\$41,926
Government Grants	\$0	\$22,017	(\$22,017)	\$85,642	\$132,102	(\$46,460)	\$264,218	\$132,116
Foundation & Corporate Grants	\$9,690	\$6,399	\$3,291	\$124,020	\$38,394	\$85,626	\$76,794	\$38,400
United Way	\$176	\$254	(\$78)	\$1,546	\$1,524	\$22	\$3,053	\$1,529
Total Public Support	\$22,111	\$35,657	(\$13,546)	\$258,235	\$213,942	\$44,293	\$427,913	\$213,971
Other Revenue								
Fee for Service	\$53,725	\$63,618	(\$9,893)	\$320,474	\$381,708	(\$61,234)	\$763,403	\$381,695
Interest Income	\$39	\$15	\$24	\$219	\$90	\$129	\$174	\$84
Net Investment Income	\$4,448	\$681	\$3,767	\$3,811	\$4,086	(\$275)	\$8,174	\$4,088
Total Other Revenue	\$58,212	\$64,314	(\$6,102)	\$324,504	\$385,884	(\$61,380)	\$771,751	\$385,867
Net Assets Released from Restriction								
Net Assets Released from Restriction	\$6,051	\$0	\$6,051	\$14,966	\$0	\$14,966	\$0	\$0
Total Net Assets Released from Restriction	\$6,051	\$0	\$6,051	\$14,966	\$0	\$14,966	\$0	\$0
Total Unrestricted	\$86,374	\$99,971	(\$13,597)	\$597,705	\$599,826	(\$2,121)	\$1,199,664	\$599,838
Temporarily Restricted								
Public Support								
Contributions	\$0	\$338	(\$338)	\$0	\$2,028	(\$2,028)	\$4,049	\$2,021
Total Public Support	\$0	\$338	(\$338)	\$0	\$2,028	(\$2,028)	\$4,049	\$2,021
Net Assets Released from Restriction								
Net Assets Released from Restriction	(\$6,051)	\$0	(\$6,051)	(\$14,966)	\$0	(\$14,966)	\$0	\$0
Total Net Assets Released from Restriction	(\$6,051)	\$0	(\$6,051)	(\$14,966)	\$0	(\$14,966)	\$0	\$0
Total Temporarily Restricted	(\$6,051)	\$338	(\$6,389)	(\$14,966)	\$2,028	(\$16,994)	\$4,049	\$2,021
Total Revenue	\$80,324	\$100,309	(\$19,985)	\$582,739	\$601,854	(\$19,115)	\$1,203,713	\$601,859
Expenses								
Operating Expenses								
Payroll Costs								
Salaries	\$66,102	\$62,919	(\$3,183)	\$353,226	\$377,514	\$24,288	\$755,031	\$377,517
Other Employee Benefits	\$1,418	\$2,723	\$1,305	\$8,219	\$16,338	\$8,119	\$32,685	\$16,347
Payroll Taxes	\$5,012	\$4,505	(\$507)	\$26,780	\$27,030	\$250	\$54,067	\$27,037
Total Payroll Costs	\$72,532	\$70,147	(\$2,385)	\$388,226	\$420,882	\$32,656	\$841,783	\$420,901
Non-Labor Expenses								
Accounting & Audit	\$11,300	\$3,000	(\$8,300)	\$28,300	\$28,300	\$0	\$46,300	\$18,000
Professional Services	\$2,622	\$3,154	\$532	\$15,451	\$18,924	\$3,473	\$37,862	\$18,938
Purchased Services	\$4,501	\$3,179	(\$1,322)	\$18,391	\$19,074	\$683	\$38,136	\$19,062
Materials & Supplies	\$3,113	\$10,406	\$7,293	\$51,289	\$62,436	\$11,147	\$124,889	\$62,453
Equipment & IT	\$0	\$340	\$340	\$44	\$2,040	\$1,996	\$4,086	\$2,046
Repairs & Maintenance	\$547	\$974	\$427	\$4,117	\$5,844	\$1,727	\$11,706	\$5,862
Building Occupancy	\$1,515	\$1,486	(\$29)	\$9,090	\$8,916	(\$174)	\$17,837	\$8,921
Utilities	\$2,643	\$2,448	(\$195)	\$16,020	\$14,688	(\$1,332)	\$29,395	\$14,707
Travel	\$167	\$56	(\$111)	\$215	\$336	\$121	\$668	\$332
Conferences & Training	\$45	\$15	(\$30)	\$376	\$90	(\$286)	\$181	\$91
Taxes/Licenses	\$25	\$433	\$408	\$3,811	\$2,598	(\$1,213)	\$5,188	\$2,590
Bank & Merchant Fees	\$0	\$0	\$0	\$25	\$0	(\$25)	\$0	\$0
Miscellaneous	\$487	\$987	\$500	\$2,477	\$5,920	\$3,443	\$11,836	\$5,916
Insurance	\$1,620	\$600	(\$1,020)	\$8,164	\$3,600	(\$4,564)	\$7,200	\$3,600
Depreciation	\$3,221	\$3,311	\$90	\$19,323	\$19,866	\$543	\$39,720	\$19,854
Total Non-Labor Expenses	\$31,805	\$30,389	(\$1,416)	\$177,094	\$192,632	\$15,538	\$375,004	\$182,372
Total Operating Expenses	\$104,337	\$100,536	(\$3,802)	\$565,320	\$613,514	\$48,194	\$1,216,787	\$603,273
Total Expenses	\$104,337	\$100,536	(\$3,802)	\$565,320	\$613,514	\$48,194	\$1,216,787	\$603,273
NET SURPLUS/(DEFICIT)	(\$24,014)	(\$227)	(\$23,787)	\$17,419	(\$11,660)	\$29,079	(\$13,074)	(\$1,414)

Live Oak Adult Day Services

SUPPORT SERVICES

Live Oak Adult Day Services
Statement of Activities
M&G

For the Period Ending December 31, 2015

	Current Month			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue						
Unrestricted						
Public Support						
Contributions	\$2,670	\$588	\$2,082	\$3,650	\$3,528	\$122
Total Public Support	\$2,670	\$588	\$2,082	\$3,650	\$3,528	\$122
Other Revenue						
Fee for Service	\$0	(\$6)	\$6	\$0	(\$36)	\$36
Interest Income	\$39	\$15	\$24	\$219	\$90	\$129
Net Investment Income	\$4,448	\$681	\$3,767	\$3,811	\$4,086	(\$275)
Total Other Revenue	\$4,487	\$690	\$3,797	\$4,030	\$4,140	(\$110)
Net Assets Released from Restriction						
Net Assets Released from Restriction	\$60	\$0	\$60	\$358	\$0	\$358
Total Net Assets Released from Restriction	\$60	\$0	\$60	\$358	\$0	\$358
Total Unrestricted	\$7,217	\$1,278	\$5,939	\$8,039	\$7,668	\$371
Total Revenue	\$7,217	\$1,278	\$5,939	\$8,039	\$7,668	\$371
Expenses						
Operating Expenses						
Payroll Costs						
Salaries	\$20,167	\$20,147	(\$20)	\$110,988	\$120,882	\$9,894
Other Employee Benefits	\$199	\$564	\$365	\$1,198	\$3,384	\$2,186
Payroll Taxes	\$1,470	\$1,198	(\$272)	\$8,054	\$7,188	(\$866)
Total Payroll Costs	\$21,836	\$21,909	\$73	\$120,240	\$131,454	\$11,214
Non-Labor Expenses						
Accounting & Audit	\$11,300	\$3,000	(\$8,300)	\$28,300	\$28,300	\$0
Professional Services	\$533	\$1,226	\$693	\$2,570	\$7,356	\$4,786
Purchased Services	\$1,442	\$960	(\$482)	\$5,754	\$5,760	\$6
Materials & Supplies	\$170	\$1,281	\$1,111	\$7,772	\$7,686	(\$86)
Equipment & IT	\$0	\$47	\$47	\$44	\$282	\$238
Repairs & Maintenance	\$283	\$265	(\$18)	\$895	\$1,590	\$695
Utilities	\$801	\$868	\$67	\$6,562	\$5,208	(\$1,354)
Travel	\$0	\$24	\$24	\$0	\$144	\$144
Conferences & Training	\$45	\$9	(\$36)	\$295	\$54	(\$241)
Taxes/Licenses	\$0	\$199	\$199	\$3,482	\$1,194	(\$2,288)
Miscellaneous	\$110	\$229	\$119	\$1,116	\$1,372	\$256
Insurance	\$838	\$120	(\$718)	\$3,206	\$720	(\$2,486)
Depreciation	\$60	\$60	\$0	\$358	\$360	\$2
Total Non-Labor Expenses	\$15,582	\$8,288	(\$7,294)	\$60,356	\$60,026	(\$330)
Total Operating Expenses	\$37,417	\$30,197	(\$7,221)	\$180,595	\$191,480	\$10,885
Total Expenses	\$37,417	\$30,197	(\$7,221)	\$180,595	\$191,480	\$10,885
NET SURPLUS/(DEFICIT)	(\$30,200)	(\$28,919)	(\$1,282)	(\$172,557)	(\$183,812)	\$11,255

Live Oak Adult Day Services
Statement of Activities
Fundraising

For the Period Ending December 31, 2015

	Current Month			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue						
Unrestricted						
Public Support						
Contributions	\$4,597	\$2,780	\$1,817	\$27,427	\$16,680	\$10,747
Government Grants	\$0	\$5,833	(\$5,833)	\$0	\$34,998	(\$34,998)
Foundation & Corporate Grants	\$8,590	\$5,556	\$3,034	\$91,354	\$33,336	\$58,018
United Way	\$176	\$254	(\$78)	\$1,546	\$1,524	\$22
Total Public Support	<u>\$13,364</u>	<u>\$14,423</u>	<u>(\$1,059)</u>	<u>\$120,327</u>	<u>\$86,538</u>	<u>\$33,789</u>
Total Unrestricted	<u>\$13,364</u>	<u>\$14,423</u>	<u>(\$1,059)</u>	<u>\$120,327</u>	<u>\$86,538</u>	<u>\$33,789</u>
Temporarily Restricted						
Public Support						
Contributions	\$0	\$137	(\$137)	\$0	\$822	(\$822)
Total Public Support	<u>\$0</u>	<u>\$137</u>	<u>(\$137)</u>	<u>\$0</u>	<u>\$822</u>	<u>(\$822)</u>
Net Assets Released from Restriction						
Net Assets Released from Restriction	(\$6,051)	\$0	(\$6,051)	(\$14,966)	\$0	(\$14,966)
Total Net Assets Released from Restriction	<u>(\$6,051)</u>	<u>\$0</u>	<u>(\$6,051)</u>	<u>(\$14,966)</u>	<u>\$0</u>	<u>(\$14,966)</u>
Total Temporarily Restricted	<u>(\$6,051)</u>	<u>\$137</u>	<u>(\$6,188)</u>	<u>(\$14,966)</u>	<u>\$822</u>	<u>(\$15,788)</u>
Total Revenue	<u>\$7,313</u>	<u>\$14,560</u>	<u>(\$7,247)</u>	<u>\$105,361</u>	<u>\$87,360</u>	<u>\$18,001</u>
Expenses						
Operating Expenses						
Non-Labor Expenses						
Professional Services	\$0	\$29	\$29	\$684	\$174	(\$510)
Purchased Services	\$0	\$6	\$6	\$0	\$36	\$36
Materials & Supplies	\$0	\$169	\$169	\$0	\$1,014	\$1,014
Miscellaneous	\$0	\$434	\$434	\$416	\$2,604	\$2,188
Total Non-Labor Expenses	<u>\$0</u>	<u>\$638</u>	<u>\$638</u>	<u>\$1,100</u>	<u>\$3,828</u>	<u>\$2,728</u>
Total Operating Expenses	<u>\$0</u>	<u>\$638</u>	<u>\$638</u>	<u>\$1,100</u>	<u>\$3,828</u>	<u>\$2,728</u>
Total Expenses	<u>\$0</u>	<u>\$638</u>	<u>\$638</u>	<u>\$1,100</u>	<u>\$3,828</u>	<u>\$2,728</u>
NET SURPLUS/(DEFICIT)	<u><u>\$7,313</u></u>	<u><u>\$13,922</u></u>	<u><u>(\$6,609)</u></u>	<u><u>\$104,261</u></u>	<u><u>\$83,532</u></u>	<u><u>\$20,729</u></u>

Live Oak Adult Day Services

PROGRAM SERVICES

Live Oak Adult Day Services
Statement of Activities
Willow Glen
For the Period Ending December 31, 2015

	<u>Current Month</u>			<u>YTD</u>		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue						
Unrestricted						
Public Support						
Contributions	\$0	\$1,567	(\$1,567)	\$425	\$9,402	(\$8,977)
Government Grants	\$0	\$4,791	(\$4,791)	\$47,860	\$28,746	\$19,114
Foundation & Corporate Grants	\$0	\$632	(\$632)	\$100	\$3,792	(\$3,692)
Total Public Support	<u>\$0</u>	<u>\$6,990</u>	<u>(\$6,990)</u>	<u>\$48,385</u>	<u>\$41,940</u>	<u>\$6,445</u>
Other Revenue						
Fee for Service	\$18,305	\$25,392	(\$7,087)	\$113,909	\$152,352	(\$38,443)
Total Other Revenue	<u>\$18,305</u>	<u>\$25,392</u>	<u>(\$7,087)</u>	<u>\$113,909</u>	<u>\$152,352</u>	<u>(\$38,443)</u>
Net Assets Released from Restriction						
Net Assets Released from Restriction	\$60	\$0	\$60	\$358	\$0	\$358
Total Net Assets Released from Restriction	<u>\$60</u>	<u>\$0</u>	<u>\$60</u>	<u>\$358</u>	<u>\$0</u>	<u>\$358</u>
Total Unrestricted	<u>\$18,364</u>	<u>\$32,382</u>	<u>(\$14,018)</u>	<u>\$162,653</u>	<u>\$194,292</u>	<u>(\$31,639)</u>
Temporarily Restricted						
Public Support						
Contributions	\$0	\$116	(\$116)	\$0	\$696	(\$696)
Total Public Support	<u>\$0</u>	<u>\$116</u>	<u>(\$116)</u>	<u>\$0</u>	<u>\$696</u>	<u>(\$696)</u>
Total Temporarily Restricted	<u>\$0</u>	<u>\$116</u>	<u>(\$116)</u>	<u>\$0</u>	<u>\$696</u>	<u>(\$696)</u>
Total Revenue	<u>\$18,364</u>	<u>\$32,498</u>	<u>(\$14,134)</u>	<u>\$162,653</u>	<u>\$194,988</u>	<u>(\$32,335)</u>
Expenses						
Operating Expenses						
Payroll Costs						
Salaries	\$14,021	\$13,053	(\$968)	\$73,554	\$78,318	\$4,765
Other Employee Benefits	\$399	\$602	\$203	\$2,297	\$3,612	\$1,315
Payroll Taxes	\$1,103	\$1,010	(\$93)	\$5,803	\$6,060	\$257
Total Payroll Costs	<u>\$15,522</u>	<u>\$14,665</u>	<u>(\$857)</u>	<u>\$81,653</u>	<u>\$87,990</u>	<u>\$6,337</u>
Non-Labor Expenses						
Professional Services	\$490	\$706	\$216	\$3,550	\$4,236	\$686
Purchased Services	\$450	\$221	(\$229)	\$1,662	\$1,326	(\$336)
Materials & Supplies	\$751	\$3,222	\$2,471	\$16,185	\$19,332	\$3,147
Equipment & IT	\$0	\$268	\$268	\$0	\$1,608	\$1,608
Repairs & Maintenance	\$264	\$256	(\$8)	\$553	\$1,536	\$983
Utilities	\$771	\$600	(\$171)	\$3,672	\$3,600	(\$72)
Conferences & Training	\$0	\$0	\$0	\$81	\$0	(\$81)
Taxes/Licenses	\$0	\$197	\$197	\$152	\$1,182	\$1,030
Miscellaneous	\$196	\$144	(\$52)	\$608	\$863	\$255
Insurance	\$196	\$120	(\$76)	\$1,239	\$720	(\$519)
Depreciation	\$3,107	\$3,074	(\$33)	\$18,641	\$18,444	(\$197)
Total Non-Labor Expenses	<u>\$6,224</u>	<u>\$8,808</u>	<u>\$2,584</u>	<u>\$46,344</u>	<u>\$52,847</u>	<u>\$6,504</u>
Total Operating Expenses	<u>\$21,746</u>	<u>\$23,473</u>	<u>\$1,727</u>	<u>\$127,996</u>	<u>\$140,837</u>	<u>\$12,841</u>
Total Expenses	<u>\$21,746</u>	<u>\$23,473</u>	<u>\$1,727</u>	<u>\$127,996</u>	<u>\$140,837</u>	<u>\$12,841</u>
NET SURPLUS/(DEFICIT)	<u>(\$3,382)</u>	<u>\$9,025</u>	<u>(\$12,407)</u>	<u>\$34,656</u>	<u>\$54,151</u>	<u>(\$19,494)</u>

Live Oak Adult Day Services
Statement of Activities
Cupertino
For the Period Ending December 31, 2015

	Current Month			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue						
Unrestricted						
Public Support						
Contributions	\$550	\$682	(\$132)	\$8,281	\$4,092	\$4,189
Board Fundraising	\$0	\$0	\$0	\$0	\$0	\$0
Government Grants	\$0	\$3,097	(\$3,097)	\$12,686	\$18,582	(\$5,896)
Foundation & Corporate Grants	\$0	\$11	(\$11)	\$100	\$66	\$34
United Way	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Support	\$550	\$3,790	(\$3,240)	\$21,067	\$22,740	(\$1,673)
Other Revenue						
Fee for Service	\$18,309	\$17,768	\$541	\$104,442	\$106,608	(\$2,167)
Interest Income	\$0	\$0	\$0	\$0	\$0	\$0
Net Investment Income	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Income	\$0	\$0	\$0	\$0	\$0	\$0
In-Kind Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Revenue	\$18,309	\$17,768	\$541	\$104,442	\$106,608	(\$2,167)
Net Assets Released from Restriction						
Net Assets Released from Restriction	\$0	\$0	\$0	\$0	\$0	\$0
Total Net Assets Released from Restriction	\$0	\$0	\$0	\$0	\$0	\$0
Total Unrestricted	\$18,859	\$21,558	(\$2,699)	\$125,509	\$129,348	(\$3,839)
Temporarily Restricted						
Public Support						
Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Foundation & Corporate Grants	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Support	\$0	\$0	\$0	\$0	\$0	\$0
Total Temporarily Restricted	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$18,859	\$21,558	(\$2,699)	\$125,509	\$129,348	(\$3,839)
Expenses						
Operating Expenses						
Payroll Costs						
Salaries	\$10,930	\$10,033	(\$897)	\$56,938	\$60,198	\$3,260
Other Employee Benefits	\$159	\$361	\$202	\$919	\$2,166	\$1,247
Payroll Taxes	\$848	\$764	(\$84)	\$4,426	\$4,584	\$158
Total Payroll Costs	\$11,938	\$11,158	(\$780)	\$62,282	\$66,948	\$4,666
Non-Labor Expenses						
Accounting & Audit	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services	\$760	\$441	(\$319)	\$2,830	\$2,646	(\$184)
Purchased Services	\$765	\$914	\$149	\$4,692	\$5,484	\$792
Materials & Supplies	\$1,042	\$3,104	\$2,062	\$15,385	\$18,624	\$3,239
Equipment & IT	\$0	\$22	\$22	\$0	\$132	\$132
Repairs & Maintenance	\$0	\$435	\$435	\$2,600	\$2,610	\$10
Building Occupancy	\$765	\$765	\$0	\$4,590	\$4,590	\$0
Utilities	\$219	\$260	\$41	\$766	\$1,560	\$794
Travel	\$0	\$0	\$0	\$0	\$0	\$0
Conferences & Training	\$0	\$6	\$6	\$0	\$36	\$36
In-Kind Expense	\$0	\$0	\$0	\$0	\$0	\$0
Taxes/Licenses	\$0	\$2	\$2	\$152	\$12	(\$140)
Bank & Merchant Fees	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$86	\$39	(\$47)	\$86	\$231	\$146
Insurance	\$196	\$120	(\$76)	\$1,239	\$720	(\$519)
Depreciation	\$0	\$29	\$29	\$0	\$174	\$174
Total Non-Labor Expenses	\$3,832	\$6,137	\$2,305	\$32,340	\$36,819	\$4,480
Total Operating Expenses	\$15,770	\$17,295	\$1,525	\$94,622	\$103,767	\$9,146
Total Expenses	\$15,770	\$17,295	\$1,525	\$94,622	\$103,767	\$9,146
NET SURPLUS/(DEFICIT)	\$3,089	\$4,263	(\$1,174)	\$30,887	\$25,581	\$5,306

Live Oak Adult Day Services
Statement of Activities
Los Gatos

For the Period Ending December 31, 2015

	Current Month			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue						
Unrestricted						
Public Support						
Contributions	\$500	\$519	(\$19)	\$600	\$3,114	(\$2,514)
Government Grants	\$0	\$2,536	(\$2,536)	\$13,898	\$15,216	(\$1,318)
Foundation & Corporate Grants	\$1,000	\$200	\$800	\$1,116	\$1,200	(\$84)
Total Public Support	\$1,500	\$3,255	(\$1,755)	\$15,614	\$19,530	(\$3,916)
Other Revenue						
Fee for Service	\$8,170	\$12,120	(\$3,951)	\$51,117	\$72,720	(\$21,604)
Total Other Revenue	\$8,170	\$12,120	(\$3,951)	\$51,117	\$72,720	(\$21,604)
Net Assets Released from Restriction						
Net Assets Released from Restriction	\$5,931	\$0	\$5,931	\$14,249	\$0	\$14,249
Total Net Assets Released from Restriction	\$5,931	\$0	\$5,931	\$14,249	\$0	\$14,249
Total Unrestricted	\$15,601	\$15,375	\$226	\$80,980	\$92,250	(\$11,270)
Temporarily Restricted						
Public Support						
Contributions	\$0	\$85	(\$85)	\$0	\$510	(\$510)
Total Public Support	\$0	\$85	(\$85)	\$0	\$510	(\$510)
Total Temporarily Restricted	\$0	\$85	(\$85)	\$0	\$510	(\$510)
Total Revenue	\$15,601	\$15,460	\$141	\$80,980	\$92,760	(\$11,780)
Expenses						
Operating Expenses						
Payroll Costs						
Salaries	\$10,731	\$10,247	(\$484)	\$55,730	\$61,482	\$5,752
Other Employee Benefits	\$199	\$531	\$332	\$1,148	\$3,186	\$2,038
Payroll Taxes	\$822	\$806	(\$16)	\$4,268	\$4,836	\$568
Total Payroll Costs	\$11,752	\$11,584	(\$168)	\$61,146	\$69,504	\$8,358
Non-Labor Expenses						
Professional Services	\$365	\$592	\$227	\$3,400	\$3,552	\$152
Purchased Services	\$1,394	\$776	(\$618)	\$4,033	\$4,656	\$623
Materials & Supplies	\$640	\$609	(\$31)	\$3,266	\$3,654	\$388
Repairs & Maintenance	\$0	\$14	\$14	\$0	\$84	\$84
Building Occupancy	\$750	\$765	\$15	\$4,500	\$4,590	\$90
Utilities	\$444	\$406	(\$38)	\$3,126	\$2,436	(\$690)
Taxes/Licenses	\$25	\$20	(\$5)	\$25	\$120	\$95
Miscellaneous	\$0	\$60	\$60	\$0	\$359	\$359
Insurance	\$196	\$120	(\$76)	\$1,239	\$720	(\$519)
Depreciation	\$35	\$32	(\$3)	\$209	\$192	(\$17)
Total Non-Labor Expenses	\$3,849	\$3,394	(\$455)	\$19,798	\$20,363	\$565
Total Operating Expenses	\$15,601	\$14,978	(\$623)	\$80,945	\$89,867	\$8,923
Total Expenses	\$15,601	\$14,978	(\$623)	\$80,945	\$89,867	\$8,923
NET SURPLUS/(DEFICIT)	\$0	\$482	(\$482)	\$35	\$2,893	(\$2,858)

Live Oak Adult Day Services
Statement of Activities
Gilroy

For the Period Ending December 31, 2015

	Current Month			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue						
Unrestricted						
Public Support						
Contributions	\$3,928	\$851	\$3,077	\$6,645	\$5,106	\$1,539
Government Grants	\$0	\$5,760	(\$5,760)	\$11,198	\$34,560	(\$23,362)
Foundation & Corporate Grants	\$100	\$0	\$100	\$31,350	\$0	\$31,350
Total Public Support	<u>\$4,028</u>	<u>\$6,611</u>	<u>(\$2,584)</u>	<u>\$49,192</u>	<u>\$39,666</u>	<u>\$9,526</u>
Other Revenue						
Fee for Service	\$8,942	\$8,344	\$598	\$51,007	\$50,064	\$943
Total Other Revenue	<u>\$8,942</u>	<u>\$8,344</u>	<u>\$598</u>	<u>\$51,007</u>	<u>\$50,064</u>	<u>\$943</u>
Total Unrestricted	<u>\$12,970</u>	<u>\$14,955</u>	<u>(\$1,986)</u>	<u>\$100,199</u>	<u>\$89,730</u>	<u>\$10,469</u>
Total Revenue	<u>\$12,970</u>	<u>\$14,955</u>	<u>(\$1,986)</u>	<u>\$100,199</u>	<u>\$89,730</u>	<u>\$10,469</u>
Expenses						
Operating Expenses						
Payroll Costs						
Salaries	\$10,254	\$9,439	(\$815)	\$56,017	\$56,634	\$617
Other Employee Benefits	\$461	\$665	\$204	\$2,658	\$3,990	\$1,332
Payroll Taxes	\$769	\$727	(\$42)	\$4,230	\$4,362	\$132
Total Payroll Costs	<u>\$11,484</u>	<u>\$10,831</u>	<u>(\$653)</u>	<u>\$62,905</u>	<u>\$64,986</u>	<u>\$2,081</u>
Non-Labor Expenses						
Professional Services	\$474	\$160	(\$314)	\$2,417	\$960	(\$1,457)
Purchased Services	\$450	\$302	(\$148)	\$2,250	\$1,812	(\$438)
Materials & Supplies	\$510	\$2,021	\$1,511	\$8,680	\$12,126	\$3,446
Equipment & IT	\$0	\$3	\$3	\$0	\$18	\$18
Repairs & Maintenance	\$0	\$4	\$4	\$70	\$24	(\$46)
Building Occupancy	\$0	(\$44)	(\$44)	\$0	(\$264)	(\$264)
Utilities	\$408	\$314	(\$94)	\$1,894	\$1,884	(\$10)
Travel	\$167	\$32	(\$135)	\$215	\$192	(\$23)
Taxes/Licenses	\$0	\$15	\$15	\$0	\$90	\$90
Bank & Merchant Fees	\$0	\$0	\$0	\$25	\$0	(\$25)
Miscellaneous	\$95	\$82	(\$14)	\$251	\$489	\$239
Insurance	\$196	\$120	(\$76)	\$1,239	\$720	(\$519)
Depreciation	\$19	\$116	\$97	\$115	\$696	\$581
Total Non-Labor Expenses	<u>\$2,319</u>	<u>\$3,125</u>	<u>\$805</u>	<u>\$17,156</u>	<u>\$18,747</u>	<u>\$1,592</u>
Total Operating Expenses	<u>\$13,804</u>	<u>\$13,956</u>	<u>\$152</u>	<u>\$80,061</u>	<u>\$83,733</u>	<u>\$3,672</u>
Total Expenses	<u>\$13,804</u>	<u>\$13,956</u>	<u>\$152</u>	<u>\$80,061</u>	<u>\$83,733</u>	<u>\$3,672</u>
NET SURPLUS/(DEFICIT)	<u>(\$834)</u>	<u>\$999</u>	<u>(\$1,833)</u>	<u>\$20,138</u>	<u>\$5,997</u>	<u>\$14,141</u>

Live Oak Adult Day Services
RESTRICTED FUNDS RELEASE SCHEDULE
For the Period from July 1, 2015 to December 31, 2015

Temp Restricted Grants	Balance	6 Months Y-T-D		Balance
	<u>as of 6/30/15</u>	<u>Additions</u>	<u>Released</u>	
Contributions - 9200	34,164			34,164
Contributions - 9210	14,052			14,052
Contributions - 9230	23,211		(7,748)	15,463
Contributions - 9240	3,585			3,585
Foundation/Corporation Grant - 9200	36,313			36,313
Foundation/Corporation Grant - 9210	10,100			10,100
Foundation/Corporation Grant - 9230	7,000		(6,293)	707
Foundation/Corporation Grant - 9240	114			114
Los Gatos Community Foundation Grant (Refrigerator) *Monthly release 34.82	699		(209)	490
Leasehold improvement *monthly release 119.44	6,967		(717)	6,250
Total	136,206	-	(14,966)	121,240



BOARD RESOLUTION

It was M/S/C ___ Taylor ___ / ___ Sramek ___
(through telephone poll) that the Board of Directors
resolve that:

BOARD OF DIRECTORS

Phyllis Armenta
Richard Greif
Richard Haas
Cheryl Harvey
Kim Kennedy
Janet Kraemer
Kay Kvenvold
Michael Miller
Denise Morris
Tom Sramek, Jr.
Paul Steele
Greg Taylor

Colleen Hudgen, Executive Director
1147 Minnesota Avenue, San Jose, California 95125
Ph: (408) 971-9363

be authorized to negotiate and sign contracts on
behalf of LIVE OAK ADULT DAY SERVICES.

It was also M/S/C ___ Taylor ___ / ___ Sramek ___ through
telephone poll that the Board of Directors resolve
that Colleen Hudgen, Executive Director, be
authorized to submit proposals to the City of Cupertino,
as they become available, in support of client
services, program operations, and/or building
maintenance, when such opportunities promote and
are consistent in letter and intent with the Mission of
LIVE OAK ADULT DAY SERVICES.

ADVISORY COUNCIL

Nancy Franklin
Leta Friedlander
Beverly Haughton
Dr. Robert A. Hersch
Dale Hill
Janet Hill
Kay Kvenvold
Ian Lamdin
Mary Jane Pattie
Charles "Bud" Stump
Greg Taylor

EXECUTIVE DIRECTOR

Colleen Hudgen

Greg Taylor, Chair



1-6-14

Date:

1147 Minnesota Ave.
San Jose, CA 95125
(408) 971-9363

111 Church Street
Los Gatos, CA 95030
(408) 354-4782

49 N. Fourth Street
San Jose, CA 95112
(408) 292-1392

651 West Sixth Street
Gilroy, CA 95020
(408) 847-5491

20920 McClellan Road
Cupertino, CA 95014
(408) 973-0905

LIVE OAK ADULT DAY SERVICES

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2014**

**IZABAL, BERNACIAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

**LIVE OAK ADULT DAY SERVICES
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2014**

TABLE OF CONTENTS

<u>Financial Statements</u>	<u>Page</u>
Independent Auditor's Report.....	1-2
Statement of Financial Position.....	3
Statement of Activities and Changes in Net Assets.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to the Financial Statements.....	7-12
<u>Supplementary Information</u>	
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 <i>Government Auditing Standards</i>	13-14

INDEPENDENT AUDITOR'S REPORT

Board of Directors
LIVE OAK ADULT DAY SERVICES
San Jose, California

Report on Financial Statements

We have audited the accompanying financial statements of Live Oak Adult Day Services, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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 Live Oak Adult Day Services as of June 30, 2015, 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 October 16, 2015, on our consideration of Live Oak Adult Day Services' 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 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 Live Oak Adult Day Services' internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Live Oak Adult Day Services' 2014 financial statements, and our report dated October 6, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it was derived.



San Francisco, California
October 16, 2015

LIVE OAK ADULT DAY SERVICES
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2014

Assets	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and Cash Equivalents	\$ 286,686	\$ 299,588
Program Grants Receivable	67,188	31,309
Program Service Fees Receivable (net of allowance for doubtful accounts of \$9,000 in 2015 and \$9,000 in 2014)	103,941	109,342
Prepaid Expenses	<u>1,956</u>	<u>7,397</u>
Sub-total Current Assets	459,771	447,636
Investments	45,312	44,424
Property and equipment, net	<u>1,548,879</u>	<u>1,588,599</u>
Total Assets	<u>\$ 2,053,962</u>	<u>\$ 2,080,659</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 7,851	\$ 1,961
Accrued Liabilities	<u>61,218</u>	<u>66,478</u>
Total Liabilities	<u>69,069</u>	<u>68,439</u>
Net Assets:		
Unrestricted:		
Board Designated	55,449	55,449
Investment in Property and Equipment	1,548,879	1,588,599
Undesignated	<u>244,359</u>	<u>268,267</u>
Total Unrestricted	<u>1,848,687</u>	<u>1,912,315</u>
Temporarily Restricted:		
Contributions and Foundation Grants	<u>136,206</u>	<u>99,905</u>
Total Temporarily Restricted	<u>136,206</u>	<u>99,905</u>
Total Net Assets	<u>1,984,893</u>	<u>2,012,220</u>
Total Liabilities and Net Assets	<u>\$ 2,053,962</u>	<u>\$ 2,080,659</u>

See notes to the financial statements

**LIVE OAK ADULT DAY SERVICES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 TOTALS</u>	<u>2014 TOTALS</u>
REVENUE				
Governmental Grants	\$ 284,208	\$ 1,806	\$ 286,014	\$ 215,085
Individual Contributions	27,018	41,723	68,741	60,975
Allocated by UWSCC	3,037	0	3,037	3,198
Corporate and Foundation Grants	11,202	14,016	25,218	135,101
Special events, net of direct expenses of \$0 in 2015 and \$0 in 2014	15,707	0	15,707	0
Program Service Fees	711,455	0	711,455	690,854
Investment Income	5,498	0	5,498	7,318
Miscellaneous	0	0	0	1,492
Net Assets Released from Restriction	21,244	(21,244)	0	0
	<u>1,079,369</u>	<u>36,301</u>	<u>1,115,670</u>	<u>1,114,023</u>
EXPENSES				
Program Services	891,538	0	891,538	827,809
Management and General	240,029	0	240,029	215,865
Fundraising	11,430	0	11,430	9,366
	<u>1,142,997</u>	<u>0</u>	<u>1,142,997</u>	<u>1,053,040</u>
CHANGES IN NET ASSETS	(63,628)	36,301	(27,327)	60,983
Net Assets, beginning of year	<u>1,912,315</u>	<u>99,905</u>	<u>2,012,220</u>	<u>1,951,237</u>
NET ASSETS, END OF YEAR	<u>\$ 1,848,687</u>	<u>\$ 136,206</u>	<u>\$ 1,984,893</u>	<u>\$ 2,012,220</u>

See notes to the financial statements

**LIVE OAK ADULT DAY SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2014**

	<u>Supportive Services</u>				<u>2015 TOTAL</u>	<u>2014 TOTAL</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Subtotal</u>		
Salaries & Wages	\$ 524,991	\$ 141,344	\$ 6,731	\$ 148,074	\$ 673,065	\$ 624,934
Employee Benefits	30,435	8,194	390	8,584	39,019	25,457
Payroll Taxes	40,803	10,986	523	11,509	52,312	49,295
	<u>596,229</u>	<u>160,523</u>	<u>7,644</u>	<u>168,167</u>	<u>764,396</u>	<u>699,686</u>
Professional Services	60,497	16,288	776	17,063	77,560	75,825
Supplies	89,079	23,983	1,142	25,125	114,204	92,091
Telephone	11,755	3,165	151	3,315	15,070	12,086
Postage & Shipping	1,224	329	16	345	1,569	2,368
Occupancy	43,675	11,759	560	12,318	55,993	56,472
Equip & Repairs	11,613	3,127	149	3,276	14,889	13,256
Printing & Publications	10,708	2,883	137	3,020	13,728	15,551
Conferences	0	0	0	0	0	1,222
Travel / Mileage	451	121	6	127	578	529
Insurance	20,299	5,465	260	5,725	26,024	19,646
Client Meals	3,537	952	45	998	4,535	7,008
Miscellaneous	9,653	2,599	124	2,723	12,376	18,270
Bad Debts	1,837	495	24	518	2,355	105
Depreciation	30,982	8,341	397	8,738	39,720	38,925
	<u>\$ 891,538</u>	<u>\$ 240,029</u>	<u>\$ 11,430</u>	<u>\$ 251,459</u>	<u>\$ 1,142,997</u>	<u>\$ 1,053,040</u>

See notes to the financial statements

**LIVE OAK ADULT DAY SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (27,327)	\$ 60,983
<i>Adjustments to reconcile net expenditures over net revenue to net cash used by operations</i>		
Depreciation	39,720	38,925
Unrealized Gain, U.S. Treasury Bonds	(888)	(2,556)
<i>(Increase)/Decrease in:</i>		
Program Grants Receivable	(35,879)	28,438
Program Services Receivable	5,401	(21,658)
Prepaid Expenses	5,441	(2,075)
<i>Increase/(Decrease) in:</i>		
Accounts Payable	5,890	(7,044)
Accrued Liabilities	(5,260)	(1,926)
Net Cash Provided/(Used) By Operating Activities	(12,902)	93,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	0	(42,053)
Net Cash Provided/(Used) By Investing Activities	0	(42,053)
Net Increase (decrease) in cash and cash equivalents	(12,902)	51,034
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	299,588	248,554
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 286,686	\$ 299,588
Supplementary Disclosures:		
Interest paid	\$ 0	\$ 0

See notes to the financial statements

**LIVE OAK ADULT DAY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

Live Oak Adult Day Services (the Organization) is a nonprofit public benefit corporation established in 1985. It provides day care services for frail and disabled elderly adults, generally living in Santa Clara County, California. A substantial portion of the Organization's support is from units of government and private foundations.

Basis of Preparation and Presentation

The Organization's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Temporarily restricted net assets include non-governmental grants that were designated by the donor as relating to future periods. In addition, the Organization is required to present a Statement of Cash Flows.

Tax Exempt Status

The Organization is a not-for-profit organization, and is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code, and is also exempt from California State franchise tax under Section 23701d of the State's Revenue and Taxation Code.

Management believes that the Organization has no uncertain tax positions as of June 30, 2015.

Summarized Financial Information for Prior Year

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Use of Estimates

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

**LIVE OAK ADULT DAY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Total net assets and net income are unchanged due to these reclassifications.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and held in banks, highly liquid money market funds, commercial paper and other short-term investments with original maturities of three months or less.

Program Grants Receivable

Program Grants Receivable are considered to be fully collectible; accordingly no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Program Service Fees Receivable

Program Service Fees Receivable at June 30, 2015 and June 30, 2014 consist of amounts due from participants of the adult day program, net of an allowance for doubtful accounts of \$9,000 for 2015, and \$9,000 for 2014.

Property and Equipment

Property and equipment are stated at cost, except donated property and equipment, which are recorded as support at estimated fair market value as of the date gifted. Expenditure on the Organization's real estate is added to the cost of buildings when it relates to enhancement; otherwise it is expensed. Interest on mortgage debt is capitalized during the construction period, otherwise it is expensed.

Depreciation and amortization expense is calculated using the straight-line method. Depreciation is provided over the estimated useful lives of the assets and amortization of leasehold improvements is provided over the remaining lease term or the estimated useful lives of the assets, whichever is shorter. No depreciation is charged on land, and depreciation does not commence until the asset is brought into use.

Estimated useful lives are:

Real property and buildings	50 years
Furniture and equipment	3 to 7 years
Vehicles	5 years

**LIVE OAK ADULT DAY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received, including unconditional promises to give (pledges), are recognized as revenue at their fair value in the period in which the contribution or pledge is made. Contributions may be classified as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. To date, the Organization has never received any permanently restricted contributions.

Advertising Expenses

The costs of advertising are expensed as incurred. During the years ended June 30, 2015 and 2014, advertising costs charged to expense totaled \$497 and \$90, respectively.

Allocated Expenses

Expenses by function have been allocated among program and supporting services classifications based on estimates made by the Organization's management.

Note 2: PROGRAM GRANTS RECEIVABLE

Grants Receivable represents the excess of grant expenditures over grant receipts for the year ended June 30, 2015 and 2014 and consists of the following:

	2015	2014
Town of Los Gatos	\$ 3,250	\$ 3,273
Catholic Charities of Santa Clara	1,773	1,771
City of Campbell	7,142	5,512
City of Cupertino	3,731	3,774
City of Gilroy	1,725	2,197
City of Milpitas	1,250	1,250
City of Santa Clara	1,436	1,588
SC County	5,979	6,567
Council on Aging	34,550	1,667
State of CA – Meals Reimbursement	6,352	3,710
Total	<u>\$ 67,188</u>	<u>\$ 31,309</u>

**LIVE OAK ADULT DAY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

Note 3: INVESTMENTS

The Organization invested in Series EE U.S. Treasury Bonds (all Level 1 measurements) in 1993 at a cost of \$15,000. These bonds accrued monthly interest at 0.0583%, and matured in 2004, but presently continue to accrue interest at 4.00%. Their value at June 30, 2015 and 2014 was as follows:

	<u>2015</u>	<u>2014</u>
Face Amount	\$ 30,000	\$ 30,000
Original Discount	(15,000)	(15,000)
Amortized Discount	15,000	15,000
Premium Over Face Amount	15,312	14,424
Net	<u>\$ 45,312</u>	<u>\$ 44,424</u>

The Organization continues to classify these bonds as non-current assets, as there is no intention to redeem them within the next year.

Investment return for the year ended June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Interest Income	\$ 1,123	\$ 2,576
Unrealized Gain	4,375	4,742
Total Investment Return	<u>\$ 5,498</u>	<u>\$ 7,318</u>

Note 4: PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2015 and 2014, comprises the following:

	<u>2015</u>	<u>2014</u>
Furniture and Equipment	\$ 90,462	\$ 90,462
Leasehold Improvements	50,463	50,463
	140,925	140,925
Real Property:		
Land	352,684	352,684
Buildings	1,676,971	1,676,971
Total Cost	2,170,580	2,170,580
Less: Accumulated Depreciation	(621,701)	(581,981)
Property and Equipment, Net	<u>\$ 1,548,879</u>	<u>\$ 1,588,599</u>

In July 1996, the Organization purchased real property in San Jose, California, for \$352,684. To date, the Organization has capitalized further expenditures totaling \$1,676,971. This property was developed to house the Organization's headquarters and Willow Glen operations, for which its use commenced on October 1, 1999, with an expected life of 50 years. Property expenditures capitalized since then are being amortized over the remainder of the expected life of the real property through September 30, 2049.

**LIVE OAK ADULT DAY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

Note 5: LEASES

The Organization conducts its operations in its owned headquarters, and in three facilities leased under operating leases. All of the operating leases are on a month to month basis. Rent expense (which does not include assessments for janitorial fees) for the years ended June 30, 2015 and 2014, was \$17,788 and \$18,528, respectively.

Note 6: RELATED PARTY TRANSACTIONS

The Organization received contributions from various members of its Board of Directors totaling approximately \$2,797 and \$315 during the years ended June 30, 2015 and 2014, respectively.

Note 7: BOARD DESIGNATED FUND

The Board of Directors set aside funds for future maintenance requirements, including painting, car park resurfacing, and a replacement roof, with the intention that sufficient funds will be available to cover these expenditures when they become necessary. Total reserve for the years ended June 30, 2015 and 2014 was \$55,449 and \$55,449, respectively.

Note 8: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets for the year ended June 30, 2015 and 2014 are as follows:

	<u>2015</u>		<u>2014</u>
Contributions	\$ 75,013	\$	47,275
Foundation Grants	54,226		44,140
Leasehold Improvements	6,967		8,400
Equipment Purchase	0		90
Total temporarily restricted net assets	<u>\$ 136,206</u>	\$	<u>99,905</u>

NOTE 9: CONTINGENT LIABILITIES

Grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. 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 no provision for the possible disallowance of program costs on their financial statements.

**LIVE OAK ADULT DAY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

Note 10: SUBSEQUENT EVENTS

The Organization's management has evaluated its subsequent events through October 16, 2015, the date the financial statements were available to be issued.

**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**

Board of Directors
Live Oak Adult Day Services
San Jose, 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 Live Oak Adult Day Services, which comprise the statement of financial position as of June 30, 2015, 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 October 6, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Organization'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 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "J. L. Bernick".

San Francisco, California
October 16, 2015



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Section A: Applicant Information

Agency: Milpitas Food Pantry Date: 2/9/2016

Address: 1440 S. Main St. MAILING: P.O. Box 360061
Street Address *Suite Number*

Milpitas CA 95035
City *State* *ZIP Code*

Phone: 408-946-5564 Email: Karen@milpitasfoodpantry.org

Executive Director: Karen Kolander

Project Manager (PM): Karen Kolander

PM's Phone: cell: 408-910-6399 PM's Email: Karen@milpitasfoodpantry.org

DUNS #: 806192233

Type of Agency:

- 501 (c)(3)
 Government or Public Agency
 For - Profit
 Faith Based
 Other:

Project Category
(Check only one):

- Public Service
 Economic Development
 Capital Improvement Project (CIP)/non-public services

Agency's Mission:

To assist community members in need regardless of ethnicity or personal belief, by providing emergency food. We want to provide healthy, nutritious food to families and individuals and help our clients find solutions to the challenges they face to break the cycle of poverty.

Section B: Funding Request

Total funding requested for this project	\$25,000
Total cost of project	\$90,000 +
Other funds leverage for project i.e. Private Donations (estimation)	\$0
Other funds not secured by project	\$80,000+
Are you getting County assistance, if so, please list	\$0

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

We'd be forced to eliminate the Clothing Closet, including one assistant position, and downsize overall. We currently have many partnerships and donors that offer food items and other goods but we need financial donations for operating expenses. We rely on community support for our program, in addition to grants and corporate gifts. We are always doing outreach!

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Yes.
2009-10 = \$18,593 / 2010-11 = \$21,082 / 2011-12 = \$9,915 / 2012-13 = \$8,521 / 2013-14 = \$7,826 / 2014-15 = \$9,318 / 2015-16 = \$14,519

Section C: Project Eligibility

Targeted Clientele: No/Low Income Families & Individuals residing in Milpitas & Alviso

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

Benefit to Low and Moderate Income Persons or Households

Elimination of Slums and Blight

Urgent Need

Provide a concise description of the proposed project:

We serve no-/extremely low-/very low-income families with children under 18, disabled individuals, seniors, and homeless. We also work with social service agencies and churches that refer battered women and veterans to our program. Our goal is to offer healthy, nutritious food and other necessities, along with helping our clients find resources to empower them and enrich the quality of their lives.

CDBG Criteria: What criteria does your proposed project meet?

x (1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below): **We serve people that fall into these categories but not any of these groups exclusively other than no-low income**

- (a) Special needs group
 - Abused children
 - Elderly persons 62 years or older
 - Battered persons
 - Severely disabled adults (not children) as defined by the Census
 - Illiterate adults
 - Persons living with HIV/AIDS
 - Migrant farm workers
 - Homeless persons

x (b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below): **NOT APPLICABLE**

- Single Family (must be 100% LMI)
- Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	4300 +	4500 +	3000 +
2. Cost Per Client Annually	approx. \$22.00	approx. \$25.00	REQUESTING \$25,000 = ~ \$8.00 per person annually AVERAGE VALUE = \$500+ (food, clothes, holiday food, and much more)
3. How many are low- and very-low income?	100%	100%	100%
4. Will the proposed assistance result in increase in clients? State projected number.	Projections vary. We will meet all goals to serve our community.	Projections vary. We will meet all goals to serve our community.	Projections vary. We will meet all goals to serve our community.
5. What is the total number of unduplicated clients/households to be served?	4300 individuals	4500 individuals	3000+ individuals

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

The funding has gone towards wages/salaries. We currently have a paid staff of 3 people

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

We have a registration form which collects demographics and other identifying information. Clients are self-certified but we spend time speaking with each family to find out how we can best serve them according to their specific individual needs. Not all of our clients fill out a complete form or have proof of address and they are not included in the CDBG report as Milpitas residents.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

The majority of our new clients come from outreach through the schools, churches, and other social service agencies, along with word of mouth and advertising in Milpitas Post. We are one of Milpitas' most valuable resources when people are struggling and offer personal service in a caring and compassionate way. We are effectively bridging the gap to communicate with our very ethnically diverse population.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.

Karen Werkheiser Kolander (signed hard copy on file)

Signature of Executive Officer

2/9/16

Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

PROJECT FUNDING – 2016-2017

Project Name: Milpitas Food Pantry

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel (3 people/incl. taxes)	25000	44000	69000	Private Donations
Benefits		0	0	-
Rent		12	12	Private Donations
Telephone		650	650	Private Donations
Postage		500	500	Private Donations
Printing (including Ads)		1500	1500	Private Donations
Supplies		250	250	Private Donations
Travel (Truck)		2500	2500	Private Donations
Utilities		5500	5500	Private Donations
Equipment & Maintenance		500	500	Private Donations
Dues & Subscriptions		100	100	Private Donations
Accounting Services		2000	2000	Private Donations
Contract Services		0	0	-
Insurance		2600	2600	Private Donations
Conference		0	0	-
Miscellaneous		1500	1500	Private Donations
TOTAL	25000	61612	86612	

PROJECT WORK PLAN

PROGRAM YEAR 2016-2017

Project Name: Milpitas Food Pantry

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Karen Kolander	100% approx. 70 hours per week	Student/Corporate/Community Volunteer Coordinator, Fundraising/Donations, Public Outreach, Client Interviews, Paperwork, Research, Grant Writing, and more	Help our clients become self-sufficient and encourage the next generation to set goals successfully & be independent, educated adults, keep everything running smoothly
Ellen Brutsch	100% approx. 30 hours per week	Incoming Food Donations/Coordinate Pick Ups w/Volunteers, "Food Shopping" with Clients, General Support to Director	Keep the pantry stocked with healthy food & other needed items
Lea Gregory	100% approx. 25 hours per week	Sorts & Maintains All Clothing, Shoes, & Household Items Donated, Assisting Clients, Cleaning	Quality Control of Items Offered, prepping excess items for other partner agencies, assist clients in meeting their needs Data Entry/Database
Board Members	100% varies	Fundraising, quarterly meetings, general support	Support the director, review goals & progress
Volunteers (Students/Corporate/Community)	100% (over 5,000 hours annually)	Sorting & Organizing Cans/Food, Hygiene & Cleaning Products, Gardening & Special Projects, Assisting Clients	Quality Control Meet Community Service Requirements

PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-2017
 Date Prepared: 2/9/16
 Revisions 2/9/16
 Final Approval _____
 Approved Revisions _____

Project Name: Milpitas Food Pantry

Project Coordinator: Karen Kolander

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Primary/Monthly Food Assistance	x	x	x	x	x	x	x	x	x	x	x	x
Clothes Closet: Seasonal Clothing/Coats/Shoes/School Uniforms	x	x	x	x	x	x	x	x	x	x	x	x
One-on-One – Resources & Referrals	x	x	x	x	x	x	x	x	x	x	x	x
Special Supplemental Food: Summer Plus, Thanksgiving, Christmas	x	x	x	x	x	x	x	x	x	x	x	x
Homeless Outreach	x	x	x	x	x	x	x	x	x	x	x	x

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

YES

Schedule Prepared By Karen Kolander

Title Executive Director

MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Milpitas Food Pantry

Date: 2/9/16

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel (3 people/incl. taxes)	5750	5750	5750	5750	5750	5750	5750	5750	5750	5750	5750	5750	69000
Benefits													0
Rent													12
Telephone													650
Postage													500
Printing (incl. Ads)													1500
Supplies													250
Travel (Truck)													2500
Utilities													5500
Equip./Maintenance													500
Dues & Subscriptions													100
Accounting Services													2000
Contract Services													0
Insurance													2600
Conference													0
Miscellaneous													1500
TOTAL													86612



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Next Door Solutions to Domestic Violence Date: 02/04/16

Address: 234 E. Gish Road Suite 200
Street Address *Suite Number*

San Jose CA 95112
City *State* *ZIP Code*

Phone: 408-501-7550 Email: info@nextdoor.org

Executive Director: Kathleen Krenek

Project Manager (PM): Susan McInnis, Director of Finance and Operations

PM's Phone: 408-501-7564 PM's Email: smcinnis@nextdoor.org

DUNS #: 121366546

Type of Agency: **501 (c)(3)**
Government or Public Agency
For - Profit
Faith Based
Other:

Project Category
(Check only one):

- Public Service
 Economic Development
 Capital Improvement Project (CIP)/non-public services

Agency's Mission: Next Door Solutions to Domestic Violence's mission is to end domestic violence in the moment...and for all time. Next Door Solutions creates pathways from crisis to stability and self-sufficiency.



Total funding requested for this project	\$10,000
Total cost of project	\$
Other funds leverage for project i.e. Private Donations (estimation)	\$
Other funds not secured by project	\$
Are you getting County assistance, if so, please list	\$

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Funding from the City of Milpitas CDBG is essential to providing the level of service which will generate the greatest outcomes for its residents receiving services. Primarily, with any shortfall from Milpitas, NDS would have to use available unrestricted funds used to cover necessary administrative and operational expenses to keep program services up to an acceptable level. Barring that, our recourse would be to reduce the number of program Advocates or not fill open positions and to reduce services, i.e., limit the number of counseling sessions per clients.

NDS has a resource development team composed of a full-time Director of Development, a Grants Manager, a Development and Communications Officer, and a part-time Development Database Specialist that is responsible for the creation and execution of an annual resource development plan. Acknowledging the importance of community support to offset economic challenges, NDS continues to put a priority on building relationships with private and corporate foundations and individual donors and raising awareness of the widespread impact that domestic violence (DV) has on the community. As DV is a primary cause of women's homelessness, increasing awareness and investments is on-going. And as DV does not recognize economic status, level of education, place of residence, or race/ethnicities, we reach out to all municipalities to contribute to the support of their constituents impacted by DV, as well as state and other federal funding.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Next Door Solutions has received funding for 10 years in the amount of \$5,000 each award.

Targeted Clientele: Victims of Domestic Violence and their children.

CDBG National Objective:

Please identify the project's eligibility under CDBG's National Objective:

Benefit to Low and Moderate Income Persons or Households

Elimination of Slums and Blight

Urgent Need

Provide a concise description of the proposed project:

Next Door Solutions proposes to serve 65 women and children experiencing domestic violence (approximately 90% will be of LMI or less) and who reside in Milpitas through one more NDS service: DV Emergency Shelter, Community and Crisis Support Advocacy (counseling and advocacy), and Support Groups. Additionally, NDS anticipates responding to 100 calls from Milpitas residents made to its 24/7 Crisis Hotline. Clients can participate in other NDS supportive services, i.e. Self-Sufficiency workshops. Per HUD National Objectives, the activities will benefit people/households of low and moderate incomes, and aligns with the City's Consolidated Plan Community Needs Priorities of "Community services for special needs groups (domestic violence, single-female headed household, minority groups, etc.) in need of health and social services" and "Support domestic violence programs and activities to prevent and assist females/males at-risk of domestic violence".

• **24/7 Emergency Shelter** - NDS opened the Emergency Shelter for victims of domestic violence in 1971, one of the first in the state and nation, and has provided continuous services for 45 years. The Shelter is open 24 hours a day, 365 days a year, and women (and their children) receive:

- Safe respite (shelter, temporary housing) from potentially life-threatening abuse (physical and psychological)
- Food, personal hygiene products, and same-day assistance in obtaining necessary medications
- Culturally and linguistically specific risk assessments (including lethality risk assessments);
- Case Management focused on safety planning and housing (short-term goals);
- Assistance with housing searches and identifying resources to assist in obtaining housing
- Financial literacy screening, links to emergency cash aid and food stamps, and rental subsidies for eligible clients
- Peer counseling (Advocacy) to assist clients address feelings of isolation, depressions and anxiety, and to assist in navigating the legal system, obtain resources and support needed to maintain safety and security, emergency transportation needs, and to address other immediate needs
- Assistance enrolling children in school or maintaining current enrollment, including free transportation when necessary
- Links to NDS legal advocacy (including restraining orders), Support Groups, Self-Sufficiency workshops, children's services, and referrals to outside resources

The Shelter is similar to a multi-family style home, with two family rooms, a ground-floor bedroom for physically-challenged clients, a dorm room with bunk beds for single women, three full bathrooms, and a large common kitchen where clients can prepare and share meals (if desired). The Shelter location is confidential, maintains a safety gate, and several active security cameras. The Shelter houses approximately 21 people at any one time, with the average stay of 30 days. Clients come from all walks of life and may include those that are chronically homeless, have substance abuse and/or mental health issues, and residency status issues. By addressing the needs of the client, NDS is also able to support the safety of the child by helping them see that the parent is safe.

• **24/7 Hotline** (multilingual) is a dedicated phone number in constant readiness to provide direct communication for a caller with support, solutions, and information and referrals. Callers receive a live-voice response by a NDS Advocate well trained in providing DV crisis counseling, listening and communication, information and community resource referrals, and who is trained in navigating and addressing gender, religious, and cultural issues.

• **Community and Systems Advocacy** – clients receive risk assessments, safety planning, advocacy/counseling, legal advocacy, restraining order assistance, support, and referrals to outside services/resources. Services are offered on a walk-in basis or by appointment. Clients receive a one-to-one consultation with a Crisis and Community Support Advocate (CCSA) highly trained in addressing barriers to safety, stability and self-sufficiency. Additional appointments are arranged after the initial intake.

Using a series of set protocols to determine the client's particular needs, Advocates help the client decide on the most beneficial services and assist them in accessing those services. Advocates coordinate emergency services and refer clients to NDS and other community services to address: housing, hunger, income, employment, safety and risk, health, and legal issues. Survivors develop their self-efficacy to address short-term challenges to safety and stability. Legal advocacy provided by the Advocates assists survivors with restraining orders (TRO, Peaceful Contact), referrals to attorneys, mediation, immigration assistance (lawful residency, U and T Visas, Adjustments of Status) and follow-up services – helping survivors to address legal and immigration issues. Crisis and Community Support Advocates teach clients how to navigate family, criminal, and immigration law and the legal system according to the provisions of the Violence Against Women Act (VAWA).

Support Groups: NDS conducts 11 Support Groups including three (3) bilingual English-Spanish groups. Through NDS Support Groups, women are able to develop supporting relationships with their peers and discuss and examine the challenges they are confronting, guided by a trained NDS Support Group Facilitator. Support Groups help clients develop the tools:

- To make healthy choices about their lives and relationships;
- To enhance self-esteem and emotional resiliency;
- To improve coping and communication skills, self-sufficiency, and parenting and life skills; and
- To use critical thinking skills to understand abuse and rebuild their lives toward a safe, thriving future.

Support Groups, led by highly trained NDS facilitators, are important in our work with victims of domestic violence (DV) as they provide a larger circle of support as each participant makes connections with the others facing similar problems. Overall during the Support Group process, victims become survivors as they reduce the impact of violence on their lives by talking with their peers about the abuse – and to understand the abuse is not their fault.

NDS’ service model of Woman-Defined Advocacy is based on the work of Jill Davies, Eleanor Lyon and Diane Monti-Catania’s *Safety Planning with Battered Women: Complex Lives/Difficult Choices*. Woman- Defined Advocacy means advocacy that starts from the woman’s wisdom that is then integrated with the Advocate’s knowledge and resources to build the woman’s framework, which ultimately reflects the values of the woman’s thoughts, feelings, opinions, and dreams—that she is the decision maker, the one who knows best, the one with the power. *Woman-Defined Advocacy* builds a partnership between Advocates and battered women and ultimately has each battered woman defining the advocacy and help she needs.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

XX (2) Limited Clientele (select from the options below):

a) Special needs group

- Abused children
- Elderly persons 62 years or older
- XX Battered persons**
- Severely disabled adults (not children) as defined by the Census
- Illiterate adults
- Persons living with HIV/AIDS
- Migrant farm workers
- Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

- Single Family (must be 100% LMI)
- Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	3,316 Clients FY 14/15 12,015 Hotline calls (includes duplicates)	3,440 Clients (FY 15/16) 15,000 Hotline calls (includes duplicates) Milpitas: 65 + 100 Hotline Calls (FY 15/16 & FY 16/17)	57 Clients (FY 14/15) 81 Hotline calls (includes duplicates)
2. Cost Per Client Annually	\$114.13*	\$120.49*	\$120.49*
3. How many are low- and very-low income?	97%	90%	90%
4. Will the proposed assistance result in increase in clients? State projected number.	No	No	No

5. What is the total number of unduplicated clients/households to be served?	3,316	3,440	55
--	-------	-------	----

*individual client average three (3) visits/sessions

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Salaries and fringe benefits for program staff.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

NDS collects client data through a Client Intake Form, capturing DOB/age, gender, sexual orientation, primary language, race and ethnicity (self-identify), and sources of income. Forms are in English and Spanish. Data is entered into a database designed for domestic violence services, WS Osnium. The intake form is also used to collect information on the NDS programs/services the client engages in or is referred to, and information specific to their situations in regards to domestic violence. Biweekly, NDS' Database Coordinator compiles and enters the information into WS Osnium.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

NDS regularly conducts community outreach and DV educational activities at numerous locations throughout the county to increase awareness and to reach more battered women; i.e. presentations to community organizations; workplaces; resource fairs. DV is not a service that is actively recruited for – rather it is an information campaign that uses grass roots efforts to increase access to information and to leverage relationships and partnership in the community to help more victims connect to vital services. Over the years NDS, has worked collaboratively with community partners throughout Santa Clara County in an aligned focus of ending domestic violence and to increase victims' access to services; partners include: Step-Up Silicon Valley – 1,000 Out of Poverty, Asian Law Alliance, Bay Area Legal Aid, Bill Wilson Center, California Partnership to End Domestic Violence, Child Abuse Council, Kid Power, Santa Clara County Domestic Violence Council, Pro Bono Project, Superior Court of California - County of Santa Clara, Santa Clara County Domestic Violence Advocacy Consortium, Santa Clara Law, Second Harvest Food Bank, local law enforcement agencies and school districts, and the law firms of David Polk, Latham and Watkins LLP, and Wilson, Sonsini, Goodrich and Rosati.

With a goal of reaching more abused women, NDS has also expanded its reach through collaborative efforts with community partners and implementing innovative approaches to create new and expanded access to DV services; i.e., embedded Advocates at the County's CalWORKs offices and the San Jose Family Violence Center.

Women can gain access to NDS services via different portals: direct contract via the 24/7 Hotline, Walk-In Crisis Counseling, Support Groups, or referrals from another partner organization. NDS has long-stranding partnerships with local law enforcement agencies who refer victims to NDS. NDS is listed as a resource on many public websites, i.e., City of San Jose – Housing and Homeless Services; County of Santa Clara – Office of Women's Policy; and public sites, i.e., California Partnership to End Domestic Violence and DomesticShelters.org. NDS services are part of 211 SCC's online database and via the 3-digit phone number (211). NDS is growing its social media reach, regularly posting to Facebook (1,689 followers), Twitter (1,040 followers), and LinkedIn (848 followers).

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.


Signature of Executive Officer

January 29, 2016
Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: The Shelter Next Door and Supportive Services

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	8,067	16,915	24,982	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
Benefits	1,933	2,953	4,886	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
Rent	-	4,174	4,174	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
Telephone	-	577	577	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
Postage	-	-	-	
Printing (including Ads)	-	-	-	
Supplies	-	1,786	1,786	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
Travel	-	277	277	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
Utilities	-	-	-	
Equipment & Maintenance	-	609	609	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
Dues & Subscriptions	-	-	-	
Accounting Services	-	-	-	

Contract Services	-	2,134	2,134	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
Insurance	-	358	358	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
Conference	-	-	-	
Miscellaneous	-	202	202	County of Santa Clara, State of California, FEMA, private foundation donation, individual gifts
TOTAL	10,000	29,985	39,985	

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: The Shelter Next Door and Supportive Services

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Manager of Community and Systems Advocacy	2% - 5% of FTE	Provides direct supervision of project services and staff. Monitors programs for grant compliance and reports achievements.	Milpitas residents will receive one or more service sessions, i.e., walk-in crisis counseling, risk assessment, safety planning, legal advocacy; Oversees day-to-day program operations and service delivery; manages staff
Crisis and Community Support Advocates	2% - 5% of FTE	Provides services to clients walking into the Community Office, including intake, case management, advocacy, safety planning and maintaining client files. Assists clients with follow-up resources and referrals if necessary	Approximately 50-60 Milpitas residents will receive one or more service sessions, i.e., walk-in crisis counseling, risk assessment, safety planning, legal advocacy; Provides direct service
Shelter Advocates	2% - 5% of FTE	Provides services to women residing at emergency shelter, including intake, case management, advocacy, safety planning and maintaining client files. Assists clients with follow-up resources and referrals if necessary.	Milpitas residents (single women, or women and their children) will receive safe haven, basic needs, and a range of supportive services at the Emergency Shelter; Provides direct service; 2-4 residents
Hotline Advocates	2% - 5% of FTE	Responsible for answering the hotline and responding to crisis callers, provide information on agency programs and services, give referrals to all community social services.	Will provide a live voice response (bilingual) to 100 calls from Milpitas residents; callers will receive crisis counseling, information, and referrals; Provides direct service
Support Group Facilitators	2% - 5% of FTE	Facilitate 11 support groups (<i>Milpitas residents may attend any group, regardless of location</i>)	Approximately 5-10 Milpitas residents will receive peer support and counseling through a variety of weekly support groups

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: 02/04/2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: The Shelter Next Door and Supportive Services

Project Coordinator: Colsaria Henderson, Director of Programs

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
24/7 Emergency DV Shelter: safe have, basic needs, case management, and other supportive services: 2-4 people	1			1			1			1		
Non-residential services: walk-in crisis counseling, risk assessment, safety planning, legal advocacy, etc. 61-63 people	5	5	6	5	5	6	5	5	6	5	5	5
24/7 Crisis Hotline: Live, bilingual, voice response providing crisis counseling, information and referrals 100 calls from Milpitas residents	8	8	9	8	8	9	8	8	9	8	8	9

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Jordan Dancer

Title Grants Manager

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2015-2016

Project Name: The Shelter Next Door and Supportive Services

Date: 02/04/2016

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	2,081	2,081	2,082	2,082	2,082	2,082	2,082	2,082	2,082	2,082	2,082	2,082	24,982
Benefits	407	407	407	407	407	408	408	407	407	407	407	407	4,886
Rent	345.39	345.39	345.39	345.39	345.39	345.39	345.39	345.39	345.39	355.16	355.16	355.17	4,174
Telephone	48.08	48.08	48.08	48.08	48.08	48.08	48.08	48.08	48.09	48.09	48.09	48.09	577
Postage	-	-	-	-	-	-	-	-	-	-	-	-	-
Printing (incl. Ads)	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	148.83	148.83	148.83	148.83	148.83	148.83	148.83	148.83	148.84	148.84	148.84	148.84	1,786
Travel	23.08	23.08	23.08	23.08	23.08	23.08	23.08	23.08	23.09	23.09	23.09	23.09	277
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Equip./Maintenance	50.75	50.75	50.75	50.75	50.75	50.75	50.75	50.75	50.75	50.75	50.75	50.75	609
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Services	177.83	177.83	177.83	177.83	177.83	177.83	177.83	177.83	177.84	177.84	177.84	177.84	2,134
Insurance	39.75	39.75	39.75	39.75	39.75	39.75	39.75	39.75	40	0	0	0	358
Conference	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	16.84	16.84	16.84	16.84	16.83	16.83	16.83	16.83	16.83	16.83	16.83	16.83	202
TOTAL	3,338.55	3,338.55	3,339.95	3,339.95	3,339.54	3,339.54	3,340.54	3,340.54	3,339.83	3,309.60	3,309.60	3,309.61	39,985



June 24, 2014

To Whom It May Concern:

Please be advised that the Board of Directors of Next Door Solutions to Domestic Violence has authorized Kathleen Krenek, Executive director, to submit any proposals for the next three years for grant contemplated in the organization's yearly budget and any additional grants deemed appropriate by Ms. Krenek. Ms. Krenek is also authorized to sign and execute any and all contracts associated with grant and contract awards.

Sincerely,

A handwritten signature in blue ink that reads "Melissa V. Hollatz".

Melissa V. Hollatz
Chair, Board of Directors
Next Door Solutions to Domestic Violence

Ending domestic violence in the moment and for all time

234 E. GISH ROAD • SUITE 200 • SAN JOSE, CA 95112

OFFICE (408) 501-7550 • HOTLINE (408) 279-2962 • FAX (408) 441-7562 • www.nextdoor.org



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: PROJECT SENTINEL INC Date: Feb 3, 2016

Address: 1490 El Camino Real
Street Address *Suite Number*

Santa Clara CA 95050
City *State* *ZIP Code*

Phone: 888-324-7468; 408-720-9888 Email: info@housing.org, amarquart@housing.org

Executive Director: Ann Marquart

Project Manager (PM): Molly Current

PM's Phone: 408-470-3741 PM's Email: mcurrent@housing.org

DUNS #: 781326608

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency Mission Statement "To develop and promote fairness and equality of housing opportunity for all and to advocate peaceful resolution of disputes for community welfare and harmony. "

Fair and equal access to housing is a primary civil right of all people and is a HUD mandate for the receipt of federal funding. Effective fair housing services must proactively outreach and educate the community as a whole, protected populations and housing providers. Services must also assist victims to secure redress from the harm of housing discrimination.

Victims of housing discrimination are often among the poorest and most underserved residents of our communities. The linguistic, cultural, mental, and physical barriers that contribute to discrimination often prevent victims from perceiving, understanding, and addressing discriminatory treatment.

While the fair housing laws encompass all housing, it is renters that most often fall victim to discrimination in Milpitas. Census 2014 estimates show 30% of the housing units in Milpitas are renter occupied and 40% of those renters are cost burdened paying 30% or more of their income on rent. Those households of protected status that can move from renting to homeownership also need protection from predatory lending practices. During the recession and even now the majority of households that suffer foreclosure are low to moderate income Hispanic households. We believe that foreclosure could be averted with HUD Certified education and counseling.

It is Project Sentinel's mission to help protect renters and homeowners from discriminatory and predatory housing practices. Whether it is a housing provider creating a hostile environment for families with children or an insurance company not writing coverage for owners renting to Section 8 tenants or a lender charging subprime rates for a household that qualifies for a prime rate, Project Sentinel's purpose is to affirmatively further fair housing on behalf of the individual household and the community at large.

Agency's Mission:

Section B: Funding Request

Total funding requested for this project	\$ 27,000
Total cost of project	\$ 53,587
Other funds leverage for project i.e. Private Donations (estimation)	\$ 26,587
Other funds not secured by project	\$ x
Are you getting County assistance, if so, please list	Yes – Santa Clara County Superior Court – ADR funds

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Staff time would be reduced, cases would receive reduced or no service and rates of deteriorated housing stock, substandard housing and homelessness could rise. Leveraged funds for serving Milpitas include (a) Santa Clara County ADR, (b) HUD-FHIP and (c) HUD Comprehensive Counseling grants.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

2012-2013 - \$10,000
2013-2014 - \$15,000
2014-2015 - \$15,000 CDBG (plus \$10,000 from Milpitas Housing Authority)
2015-2016 - \$15,000 CDBG (plus \$10,000 from Milpitas Housing Authority)

Section C: Project Eligibility

Targeted Clientele: Milpitas residents and those seeking to reside in Milpitas, predominantly low-income, minority and those of protected status.

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

Project Sentinel seeks funding to provide comprehensive Fair Housing, HUD Certified Housing Counseling and Tenant-Landlord Dispute Resolution services. These services will be provided to Milpitas residents and those seeking to reside in Milpitas throughout the home seeking process, including the search and maintenance of a home. Services will be available to home seekers, in-place residents, property managers and other housing providers. Provision of these services will help create and maintain healthy communities and will assist the City of Milpitas in meeting its CDBG obligation to affirmatively further fair housing. Proactive services to Low income tenants and housing providers will include answering questions and offering dispute resolution when disputes arise. First time homebuyers will be offered education to protect against predatory lending and to show opportunities that support homeownership. Reactive services will be available that address civil rights violations by seeking redress for victims of housing discrimination.

CDBG Criteria: What criteria does your proposed project meet?

- (1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)
- (2) Limited Clientele (select from the options below):
 - (a) Special needs group
 - Abused children
 - Elderly persons 62 years or older
 - Battered persons
 - Severely disabled adults (not children) as defined by the Census
 - Illiterate adults
 - Persons living with HIV/AIDS
 - Migrant farm workers
 - Homeless persons
 - (b) At least 51% of clientele to be served will be documented as LMI
- (3) Housing (select from the options below):
 - Single Family (must be 100% LMI)
 - Multi-unit (must be 51% LMI)
- (4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	FY 2014-2015 = 6500	7000	215
2. Cost Per Client Annually	\$111	\$210	\$114
3. How many are low- and very-low income?	5200	5600	172
4. Will the proposed assistance result in increase in clients? State projected number.	FY 2014-2015 = 6500	7200	236
5. What is the total number of unduplicated clients/households to be served?	FY 2014-2015 = 6500	7200	236

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Salaries and fringe benefits of program staff, overhead costs.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Project Sentinel uses HUD approved self-certification forms at the time of case intake. PS staff also attempt to secure backup documentation of income, such as pay stubs, SSI benefits award letter, or other public assistance documentation. The income level for callers requesting information is requested during the call and entered into Project Sentinel's I&R database. All data is stored in an Access database as well as in Excel spreadsheets which are properly backed up. A copy of the intake form is attached.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

Community outreach and education increase the targeted population's and the public's awareness of the existence and benefits of the fair housing and tenant –landlord services we provide. This is accomplished through the use of mass media, public presentations, training workshops and the distribution of multi-lingual educational material, tabling at community resource fairs, participating in community panels and collaborative groups and meeting with other service providers. Unique elements in our community outreach services include an annual fair housing month event, publication of "Rent Watch," a question-and-answer newspaper column, and multilingual social service agency presentation.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.

ANN MARQUART, EXECUTIVE DIRECTOR

Feb 3, 2016

Signature of Executive Officer

Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

PROJECT FUNDING – 2016-2017

Project Name: Project Sentinel – Milpitas Housing Services

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	18,349	14,041	32,390	1) Santa Clara Co Sup. Court 2) HUD FH Initiatives Program 3) HUD Comprehensive Counseling Program
Benefits	3,270	3,208	6,478	
Rent		3,109	3,109	
Telephone				
Postage				
Printing (including Ads)				
Supplies		466	466	
Travel	84	116	200	
Utilities				
Equipment & Maintenance				
Dues & Subscriptions				
Accounting Services/Audit				
Contract Services-Testers		450	450	
Insurance				
Conference				
Indirect	5,297	5,197	10,494	
TOTAL	27,000	26,587	53,587	

PROJECT WORK PLAN

PROGRAM YEAR 2016-2017

Project Name: Project Sentinel – Milpitas Housing Services

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Agency Executive Director	1%	Administrative Oversight	Agency Administration
Fair Housing Director	2%	Direct Service of Fair Housing Counseling and supervision of Fair Housing Coordinators	Outreach/Education and Case Work
Fair Housing Coordinators	25%	Direct Service of Fair Housing Counseling	Outreach/Education and Case Work
Dispute Resolution Director	2%	Direct Service of Dispute Resolution Counseling and Supervision of Housing counselors	Outreach/Education and Case Work
Tenant-Landlord and Mortgage Counselors	25%	Direct Service of Tenant-Landlord and Mortgage Counseling	Outreach/Education and Case Work

PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-2017
 Date Prepared: 2/2/16
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Milpitas Housing Services

Project Coordinator :Molly Current

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Process Information & Referral calls – 250 total calls for assistance	X	X	X	X	X	X	X	X	X	X	X	X
Provide mortgage counseling, tenant-landlord dispute resolution, and investigate Fair housing complaints/conduct proactive audits – total: 30	X	X	X	X	X	X	X	X	X	X	X	X
Conduct Community Outreach and Education 4 per year	X			X			X			X		

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Ann Marquart

Title Exec Director

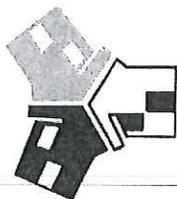
MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Project Sentinel – Milpitas Housing Services

Date: 2/2/2016

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	2,699	2,699	2,699	2,699	2,699	2,699	2,699	2,699	2,699	2,699	2,699	2,701	32,390
Benefits	540	540	540	540	540	540	540	540	540	540	540	538	6,478
Rent	259	259	259	259	259	259	259	259	259	259	259	260	3,109
Supplies	38	38	38	38	38	38	38	38	38	38	38	48	466
Travel	17	17	17	17	17	17	17	17	17	17	17	13	200
Contract Services	37	37	37	37	37	37	37	37	37	37	37	43	450
Conference													
Indirect	874	874	874	874	874	874	874	874	874	874	874	880	10,494
TOTAL	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,483	53,587



**project
sentinel**

**Project Sentinel
Fair Housing Center**

1490 El Camino Real
Santa Clara, CA 95050

Phone: (650) 321-6291 Fax: (650) 321-4173
info@housing.org

December 14, 2015

Signature on behalf of the corporation:

[a] **Resolved**, that the Executive Director of Project Sentinel, Ann Marquart, be authorized to submit funding proposals and to negotiate and sign contracts on behalf of the corporation, including, but not limited to funding agreements, contracts, rental leases, telephone systems, supplies, store credit applications, invoices to funding jurisdictions.

This resolution was passed by a unanimous vote of the Board of Directors on December 14, 2015.

Date: 12/14/15

Signed: Rebecca Pickart
Rebecca Pickart, Board President

Project Sentinel Fair Housing Intake Form



General Information



Case Name:	Case Number:	Intake Date: City:	Local Contract:	Protected Category:	Date of Last Act:
Counselor:	Type of Complaint:	Previous Client?	Result:	How Did Complainant Learn of Us?	FHIP #:
		No			

Complainant's Profile

Complainant's Name:	Age:	Gender:	Race:	Ethnicity:	Over 62?	Marital Status:	FHH?
				Not Applicable	No		No
Site Address (where the acts occurred):	Site City:	Site State:	Site Zip Code:				
		California					
Present Mailing Address:	City:	State:	Zip Code:				
		California					
Work Telephone Number:	Home Telephone Number:	Cell Phone Number:					
Occupation:	Employer/Source of Income:	Income:					
Employer's Street Address:	Employer's City:	Employer's State:	Employer's Zip Code:				
		California					
Job Tenure:	E-mail address:	Alternate Contact Person:	Phone # of alternate contact:				
Names, addresses and phone numbers of witnesses:							

Adult Co-Complainant's Profile

Co-Complainant's Name:	Age:	Gender:	Race:	Marital Status:			
Present Mailing Address:	City:	State:	Zip Code:				
		California					
Work Telephone Number:	Home Telephone Number:	Cell Phone Number:					
Occupation:	Employer/Source of Income:	Income:	Employer's Street Address:				
Employer's City:	Employer's State:	Employer's Zip Code:	Job Tenure:				
	California						

Household Profile

Does the complainant or anyone in the complainant's household have a disability? (Y/N)	What Disability?	Number of People in Household:	
No		1	
Children (Y/N)	If yes, list names(s), sex(es), race(s), and age(s)	Complainant's Tenant Status:	If prospective, address of unit sought:
No			
Did the CT apply?	Govt Subsidized Housing?	Total Hshold Income:	Does CT require an accommodation to receive services? Enter here:
No	No	\$0.00	

Respondent's Profile

Name of Person Dealt With:	Age:	Gender:	Race:	Ethnicity:	Position (Offending Party):
Street Address:	City:	State:	Zip Code:	Daytime Telephone Number:	
		California			

Project Sentinel Fair Housing Intake Form

Evening Telephone Number:	Alternate Phone Number:	Property Name:	Property Management Company:		
		Parker Palo Alto Apartments			
Property Manager:	Mgr's Gender:	Mgr's Race:	Mgr's Ethnicity:	Manager's Street Address:	Mgr's Telephone:
Property Owner:	Onr's Gender:	Onr's Race:	Onr's Ethnicity:	Owner's Street Address:	Owner's Telephone:

Did complainant inform respondent he/she would seek assistance on this issue? (Y/N)
No

Housing Unit Information

Housing Type:	Rental Rate:	# total properties:	Number of Units:	Size of Unit:	Security Deposit Amount:
	\$0.00		1		\$0.00
Sales Price if Applicable:	Complainant Viewed or Applied for Unit?	How did unit came to complainant's attention?			
\$0.00					
Vacant Unit(s) (Y/N)	How many vacant units?	Size(s)?	How are vacant units advertised?		
No					
Are there other tenants in the building with complainant's protected status?					
No					
If so, how are they treated?					

Explanation of Case:

Additional Questions for In-Place Tenants

Type(s) of alleged differential treatment:

Respondent's stated reason for treatment:

Move in Date:	Does the household want to continue living at this site? (Y/N)
	No

If no, explain:

Has the management/ownership changed since the complainant moved in?

No

If so, explain:

Has the complainant ever received any complaints from the owner or manager?

No

If yes, explain:

   	<p>I certify, under penalty of perjury, that the above information is true and accurate to the best of my knowledge.</p> <p>Complainant's signature: _____</p>
--	--

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Year Ended June 30, 2014 with Comparative Totals
for the Year Ended June 30, 2013

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

TABLE OF CONTENTS

	<u>Pages</u>
I. FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13
II. SUPPLEMENTARY INFORMATION:	
Schedule of Expenditures of Federal Awards	14
Notes to Schedule of Expenditures of Federal and Other Governmental Awards	15
III. REPORTS	
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 <i>Government Auditing Standards</i>	16-17
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	18-19
IV. SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
Schedule of Findings and Questioned Costs	20
Summary Schedule of Prior Audit Findings	21

SECTION I
FINANCIAL SECTION
FINANCIAL STATEMENTS

FOUNDERS

Alexander W. Berger (1916-2005)
Griffith R. Lewis (1930-2012)

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Audit Committee of
Project Sentinel
(A California Nonprofit Public Benefit Corporation)
Santa Clara, California

Report on the Financial Statements

We have audited the accompanying financial statements of Project Sentinel (a California nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Project Sentinel as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Project Sentinel's June 30, 2013 financial statements, and our report dated November 20, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 December 4, 2014 on our consideration of Project Sentinel'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 Project Sentinel's internal control over financial reporting and compliance.



BERGER LEWIS ACCOUNTANCY CORPORATION
San Jose, California
December 4, 2014

PROJECT SENTINEL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

	2014		2013	
	Unrestricted	Temporarily Restricted	TOTAL ALL FUNDS	
<u>ASSETS</u>				
Cash and equivalents - - - - -	\$ 486,570	\$ 47,412	\$ 533,982	\$ 619,474
Accounts receivable - - - - -	25,539	-	25,539	6,005
Grants receivable - - - - -	509,017	-	509,017	475,836
Prepaid expenses and other assets - - - - -	4,646	-	4,646	9,550
Property and equipment net of depreciation - - - - -	43,061	-	43,061	53,832
 TOTAL ASSETS - - - - -	 <u>\$ 1,068,833</u>	 <u>\$ 47,412</u>	 <u>\$ 1,116,245</u>	 <u>\$ 1,164,697</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities:				
Accounts payable - - - - -	\$ 44,963	\$ -	\$ 44,963	\$ 61,074
Accrued expenses - - - - -	83,549	-	83,549	72,176
Capital lease payable - - - - -	-	-	-	561
Agency funds - - - - -	33,025	-	33,025	33,123
TOTAL LIABILITIES - - - - -	<u>161,537</u>	<u>-</u>	<u>161,537</u>	<u>166,934</u>
Unrestricted net assets:				
Unrestricted - - - - -	864,235	-	864,235	796,330
Invested in building and equipment - - - - -	43,061	-	43,061	53,832
Total unrestricted net assets - - - - -	907,296	-	907,296	850,162
Temporarily restricted net assets - - - - -	-	47,412	47,412	147,601
TOTAL NET ASSETS - - - - -	<u>907,296</u>	<u>47,412</u>	<u>954,708</u>	<u>997,763</u>
 TOTAL LIABILITIES AND NET ASSETS - - - - -	 <u>\$ 1,068,833</u>	 <u>\$ 47,412</u>	 <u>\$ 1,116,245</u>	 <u>\$ 1,164,697</u>

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

PROJECT SENTINEL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Total	
			2014	2013
<u>SUPPORT AND REVENUE</u>				
Governmental grants and contracts - - - - -	\$ 1,333,936	\$ -	\$ 1,333,936	\$ 1,574,373
Foundation, corporate and other grants - - - - -	13,138	75,000	88,138	294,645
Contributions - - - - -	7,495	-	7,495	2,950
Contributions - Inkind - - - - -	483,725	-	483,725	539,141
Program fees - Training - - - - -	49,457	-	49,457	27,004
Settlement income - - - - -	26,893	-	26,893	20,357
Investment income - - - - -	556	-	556	844
Other income - - - - -	300	-	300	2,410
Total support and revenue - - - - -	<u>1,915,500</u>	<u>75,000</u>	<u>1,990,500</u>	<u>2,461,724</u>
Net assets released from restrictions:				
Satisfaction of program restrictions - - - - -	175,189	(175,189)	-	-
TOTAL SUPPORT AND REVENUE - - - - -	<u>2,090,689</u>	<u>(100,189)</u>	<u>1,990,500</u>	<u>2,461,724</u>
<u>EXPENSES</u>				
Program Services:				
Fair Housing - - - - -	721,537	-	721,537	870,164
Mediation Services - - - - -	719,510	-	719,510	781,083
HUD Housing Counseling - - - - -	366,329	-	366,329	450,939
Total Program Services - - - - -	<u>1,807,376</u>	<u>-</u>	<u>1,807,376</u>	<u>2,102,186</u>
Supporting Services:				
Management and General - - - - -	226,179	-	226,179	336,052
Total Supporting Services - - - - -	<u>226,179</u>	<u>-</u>	<u>226,179</u>	<u>336,052</u>
TOTAL EXPENSES - - - - -	<u>2,033,555</u>	<u>-</u>	<u>2,033,555</u>	<u>2,438,238</u>
CHANGE IN NET ASSETS - - - - -	57,134	(100,189)	(43,055)	23,486
NET ASSETS - JULY 1 - - - - -	<u>850,162</u>	<u>147,601</u>	<u>997,763</u>	<u>974,277</u>
NET ASSETS - JUNE 30 - - - - -	<u>\$ 907,296</u>	<u>\$ 47,412</u>	<u>\$ 954,708</u>	<u>\$ 997,763</u>

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

PROJECT SENTINEL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	PROGRAM SERVICES				SUPPORTING SERVICES		TOTAL EXPENSES	
	Fair Housing	Mediation Services	HUD Housing Counseling	Total	Management and General	Total	2014	2013
Salaries and wages - - - - -	\$ 319,497	\$ 339,296	\$ 242,050	\$ 900,843	\$ 25,814	\$ 25,814	\$ 926,657	\$ 1,044,499
Payroll taxes - - - - -	44,722	44,202	34,148	123,072	2,257	2,257	125,329	153,743
Employee benefits - - - - -	24,204	24,527	18,386	67,117	1,902	1,902	69,019	107,296
TOTAL SALARIES AND RELATED EXPENSES - - - - -	388,423	408,025	294,584	1,091,032	29,973	29,973	1,121,005	1,305,538
Professional fees - - - - -	5,310	6,014	2,930	14,254	168,253	168,253	182,507	229,251
Professional fees, in-kind - - - - -	201,950	209,775	-	411,725	-	-	411,725	499,924
Contracted services - - - - -	8,706	2,324	764	11,794	8,738	8,738	20,532	35,680
Testers - - - - -	10,187	-	-	10,187	-	-	10,187	20,857
Office supplies - - - - -	2,975	3,891	2,130	8,996	775	775	9,771	17,486
Telephone - - - - -	12,649	11,012	5,175	28,836	1,218	1,218	30,054	49,711
Postage & shipping - - - - -	1,765	1,449	1,367	4,581	291	291	4,872	6,192
Occupancy - - - - -	38,719	20,245	7,192	66,156	2,743	2,743	68,899	115,635
Occupancy, in-kind - - - - -	14,040	22,680	29,880	66,600	5,400	5,400	72,000	36,919
Equipment costs - - - - -	14,054	13,276	7,694	35,024	1,420	1,420	36,444	29,454
Outreach - - - - -	25	855	-	880	45	45	925	3,314
Printing & publications - - - - -	6,750	2,636	2,276	11,662	-	-	11,662	15,675
Meals & transportation - - - - -	7,557	7,384	6,689	21,630	973	973	22,603	25,054
Conference & training - - - - -	2,611	5,165	1,345	9,121	16	16	9,137	22,300
Insurance - - - - -	757	981	877	2,615	4,578	4,578	7,193	8,199
Miscellaneous - - - - -	750	351	518	1,619	1,648	1,648	3,267	6,512
TOTAL EXPENSES BEFORE DEPRECIATION - - - - -	717,228	716,063	363,421	1,796,712	226,071	226,071	2,022,783	2,427,701
Depreciation - - - - -	4,309	3,447	2,908	10,664	108	108	10,772	10,537
TOTAL EXPENSES - - - - -	\$ 721,537	\$ 719,510	\$ 366,329	\$ 1,807,376	\$ 226,179	\$ 226,179	\$ 2,033,555	\$ 2,438,238
Percentage of total - - - - -	35.5%	35.4%	18.0%	88.9%	11.1%	11.1%	100.0%	

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

PROJECT SENTINEL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Cash flows provided (used) by operating activities</u>		
Change in net assets - - - - -	\$ (43,055)	\$ 23,486
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation - - - - -	10,772	10,537
Loss on disposal of fixed assets - - - - -	-	3,135
In-kind donations capitalized - - - - -	-	(2,298)
(Increase) decrease in assets:		
Receivables - - - - -	(52,715)	316,894
Prepaid expenses - - - - -	4,904	1,555
Increase (decrease) in liabilities:		
Accounts payable - - - - -	(16,111)	(45,222)
Accrued expenses - - - - -	11,373	(14,147)
Agency Funds - - - - -	(98)	-
Total adjustments - - - - -	(41,875)	270,454
Net cash provided (used) by operating activities - - -	(84,930)	293,940
<u>Cash flows provided (used) by investing activities:</u>		
Purchase of equipment/building improvements - -	-	(48,182)
Net cash provided (used) by investing activities -	-	(48,182)
<u>Cash flows provided (used) by financing activities</u>		
Repayments under lease contract payable - - -	(562)	(7,128)
Net cash provided (used) by financing activities -	(562)	(7,128)
Net increase (decrease) in cash and cash equivalents -	(85,492)	238,630
Cash and cash equivalents at beginning of year - - -	619,474	380,844
Cash and cash equivalents at end of year - - - - -	\$ 533,982	\$ 619,474
Non Cash Transactions:		
Donated services & rent - - - - -	\$ 483,725	\$ 539,141

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

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION:

Project Sentinel (the "Organization"), was founded in 1971, and incorporated in the state of California in 1990. The Organization provides fair housing, tenant/landlord mediation services, and mortgage counseling to residents of Santa Clara, San Mateo and Stanislaus Counties and to the cities of Modesto and Turlock. These programs operate out of five offices: Redwood City, Santa Clara, Fremont, Gilroy, and Modesto.

The Organization's primary source of revenue consists of federal grants from the Department of Housing and Urban Development (HUD) which are received directly from HUD or passed through local jurisdictions. In addition, the Organization receives some local government grants from the jurisdictions served by the Organization. On occasion, the Organization receives foundation grants and corporate grants as well as court awarded settlement monies for legal action related to fair housing.

NOTE 2 - PROGRAM SERVICES:

Fair Housing - Provides civil rights protection to victims of housing discrimination by investigating complaints, informing targeted populations of their rights, educating housing providers on their responsibilities and orienting the general public to the benefits of integrated, balanced communities.

Mediation Services - Provides counseling and dispute resolution for tenants, owners and managers of rental housing to make informed decisions contributing to a balanced community.

HUD Homeownership Counseling - Assists first time home buyers to prepare for homeownership through individual counseling and public education. Assists homeowners in fear of mortgage default and foreclosure by counseling and intervening with lending institutions.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting - The financial statements of Project Sentinel have been prepared on the accrual basis of accounting.

Basis of Presentation - The Organization follows standards of accounting and financial reporting for voluntary health and welfare organizations. In accordance with accounting principles generally accepted in the United States of America, the Organization reports its financial position and operating activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Organization maintains an operating fund, property and equipment fund plus any net assets designated by the Board for specific purposes.

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Temporarily restricted net assets include those assets which are subject to donor restriction and for which the applicable restriction was not met as of the year end of the current reporting period. The Organization does not imply a time restriction on gifts of long lived assets. Resources of this fund originate from contributions and grants.

Permanently restricted net assets include those assets which are subject to a non-expiring donor restriction, such as endowments. There are currently no permanently restricted net assets.

Comparative Financial Information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Revenue Recognition - The Organization recognizes support and revenue on the accrual basis of accounting. Revenue from grants which have been classified as "exchange transactions" and program fees are recognized as revenue in the period in which the service is provided.

Contributions - Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the nature of donor restrictions. Temporarily restricted contributions are reported as increases in restricted net assets. When the restriction is satisfied or expires, temporarily restricted net assets are released and reclassified as unrestricted net assets.

Cash and Cash Equivalents - Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less, and exclude donor receipts restricted for long-term purposes. The Organization maintains its cash in bank deposit accounts which, at times, may exceed Federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Accounts and Grants Receivable - The Organization considers all accounts and grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

Advertising - The Organization's policy is to expense advertising costs as the costs are incurred. There were no advertising costs for the years ended June 30, 2014 and 2013.

Property and Equipment - Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over \$1,000 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets, which range from 3 to 15 years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Accrued Vacation - Accrued vacation represents vacation earned, but not taken as of June 30, 2014 and 2013, and is included in "accrued expenses" in the statement of financial position. The accrued vacation balance as of June 30, 2014 and 2013 was \$57,493 and \$46,837, respectively.

Contributions In-Kind - Donated equipment and the use of facilities (in-kind rent) are recorded at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered.

Expense Allocation - The costs of providing the 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.

Allocation of Indirect Functional Expenses - Indirect functional expenses are allocated to program and support services based on an analysis of personnel time and space utilized.

Income Taxes - Project Sentinel is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

Uncertainty in Income Taxes - Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

The Organization files information returns in the U.S. federal jurisdiction and state of California. The Organization's federal returns for the years 2011 and beyond remain subject to possible examination by the Internal Revenue Service. The Organization's California returns of the tax years 2010 and beyond remain subject to possible examination by the Franchise Tax Board.

Reclassifications - Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Subsequent Events - Management of the Organization has evaluated events and transactions subsequent to June 30, 2014 for potential recognition or disclosure in the financial statements. The Organization did not have subsequent events that required recognition or disclosure in the financial statements for the fiscal year ended June 30, 2014. Subsequent events have been evaluated through the date the financial statements became available to be issued, December 4, 2014.

NOTE 4 - PROPERTY AND EQUIPMENT:

The cost and related accumulated depreciation of the property and equipment at June 30, consisted of the following:

	<u>2014</u>	<u>2013</u>
Furniture and Equipment	\$ 50,807	\$ 50,807
Leasehold Improvements	<u>28,968</u>	<u>28,968</u>
	79,775	79,775
Less: Accumulated Depreciation	<u>(36,714)</u>	<u>(25,943)</u>
Property and Equipment, Net	<u>\$ 43,061</u>	<u>\$ 53,832</u>

Depreciation expense for the years ended June 30, 2014 and 2013 was \$10,772 and \$10,537, respectively.

NOTE 5 - AGENCY FUNDS:

The Organization serves as a fiscal agent for the Fair Housing Retrofit Fund. This fund provides grants to disabled low income renters and owners in order to retrofit their residences for qualifying disabilities. The parameters governing the awarding of the grants were set by and are overseen by the Santa Clara County Fair Housing Task Force. Project Sentinel holds these funds in a custodial capacity.

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 6 - CONTRIBUTIONS IN-KIND:

The estimated fair value of professional services, rent and property and equipment received are recorded as contributions. During the years ended June 30, the following in-kind contributions were received:

	<u>2014</u>	<u>2013</u>
Professional Services	\$ 411,725	\$ 499,924
Rent	72,000	36,919
Other - Office Furniture	<u>-</u>	<u>2,298</u>
Total Contributions In-Kind	<u>\$ 483,725</u>	<u>\$ 539,141</u>

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS:

The Organization's temporarily restricted net assets at June 30, consisted of the following:

	<u>2014</u>	<u>2013</u>
Homeownership Counseling	<u>\$ 47,412</u>	<u>\$ 147,601</u>
Total Temporarily Restricted Net Assets	<u>\$ 47,412</u>	<u>\$ 147,601</u>

NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets were released from restrictions during the year by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

	<u>2014</u>
Purpose Restriction:	
Homeownership Counseling	<u>\$ 175,189</u>
Total Net Assets Released from Restrictions	<u>\$ 175,189</u>

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 9 - EMPLOYEE RETIREMENT PLAN:

The Organization offers a Section 125 cafeteria plan and a 403(b) retirement plan to all eligible employees working 35 or more hours per week. The Organization contributes 10% of each qualifying employee's compensation to the plans. Employees select how to utilize the contribution to pay for their selected benefits. Any unspent portion is contributed to the employee's 403(b) plan. The cost of selected benefits in excess of the 10% contribution are deducted from employee compensation. Employees may make voluntary contributions to their 403(b) plan through payroll deductions. The Organization does not match employee voluntary contributions.

NOTE 10 - CONTINGENCIES:

Grants and Contracts

Grants and contracts awarded to Project Sentinel are subject to the funding agencies' criteria, contract terms and regulations under which expenditures may be charged and are subject to audit under such terms, regulations and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs.

Management does not anticipate any material questioned costs for the contracts and grants administered during the period. The Organization would be responsible for the absorption of any over-expenditure of its restricted grants which cannot be covered by additional grant funds or contributions from other sources.

State Unemployment Insurance

The organization is self-insured for State Unemployment Insurance purposes through the Non-Profit Trust. When terminated employees file unemployment claims with the Employment Development Department (EDD), those claims are paid by the EDD. The EDD then bills the Non-Profit Trust for claims they have paid. Since the Organization does not know how long a particular claimant will claim benefits, it is not feasible to accurately calculate the cost of claims applicable to the year ended June 30, 2014, and as such, the organization may be liable for claims in excess of those accrued for in these financial statements. Management does not expect these claims to be material to the financial statements

NOTE 11 - CONCENTRATIONS:

The Organization receives approximately 32% of its revenues directly or indirectly from the Department of Housing and Urban Development. A reduction in awards of grants from this agency could materially impact the services the Organization provides.

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 12 - OPERATING LEASE COMMITMENTS:

The Organization leases office space in three locations: Redwood City, Fremont, and Gilroy, with non-cancelable leases expiring in 2014 and 2015. Facilities in Modesto are rented on a month-to-month basis. The use of the fifth office location, Santa Clara, is donated (under an agreement that expires in December 2015) to the Organization in exchange for services it provides to the tenants of the adjacent low income housing apartment building. Rental expense (including the value of donated rent) for the years ended June 30, 2014 and 2013 was \$130,287 and \$138,496, respectively.

Future minimum lease payments, including the value of donated space, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 103,611
2016	<u>43,708</u>
Total Future Minimum Lease Payments	<u>\$ 147,319</u>

NOTE 13 - CONFLICT OF INTEREST POLICY:

Included among the Organization's Board of Directors and Officers are volunteers from the community who provide valuable assistance to the Organization in the development of policies and programs and in the evaluation of business transactions. The Organization has adopted a conflict of interest policy whereby Board members are disqualified from participation in the final decisions regarding any action affecting their related company or agency.

SECTION II
SUPPLEMENTARY INFORMATION

PROJECT SENTINEL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Government Grantor Pass-through Grantor Program Title	Time Period	Federal CFDA Number	Grant/ Contract Number	Award Amount	Federal Expenditures
<u>US Department of Housing & Urban Development</u>					
<u>Direct Programs</u>					
HUD Housing Counseling Assistance Program - Comprehensive Counseling	10/1/12 - 9/30/13	14.169	HC130921003	\$ 14,476	\$ 3,730
HUD Housing Counseling Assistance Program - Comprehensive Counseling	10/1/13 - 3/31/15	14.169	HC140921023	22,325	10,917
Sub-Total Direct Programs				<u>36,801</u>	<u>14,647</u>
<u>Pass Through Grants</u>					
<u>Community Development Block Grants/Entitlement Grants</u>					
City of Daly City - Fair Housing	9/1/13 - 6/30/14	14.218		8,250	7,831
City of Fremont - Fair Housing - Tenant Landlord	7/1/13 - 6/30/14	14.218		101,448	101,448
City of Milpitas - Tenant Landlord and Fair Housing Counseling	7/1/13 - 6/30/14	14.218		10,000	10,000
City of Modesto - Fair Housing Services	7/1/13 - 6/30/14	14.218		25,000	25,000
City of Mountain View - Fair Housing	7/1/13 - 6/30/14	14.218		24,648	24,648
City of Palo Alto - Fair Housing	7/1/13 - 6/30/14	14.218		31,950	31,950
City of Redwood City - Fair Housing	7/1/13 - 6/30/14	14.218		21,928	21,928
City of San Jose, Law Foundation of Silicon Valley - Fair Housing Law Project	7/1/13 - 6/30/14	14.218		96,500	96,500
City of San Jose - Homebuyers Education Project	7/1/13 - 6/30/14	14.218		30,000	28,700
City of San Jose - Housing Trust of Santa Clara County - ForeclosureHelpSCC	11/1/13 - 6/30/14	14.218		4,000	4,000
City of San Mateo - Fair Housing	7/1/13 - 6/30/14	14.218		10,000	10,000
City of South San Francisco - Fair Housing	7/1/13 - 6/30/14	14.218		8,901	8,901
City of Sunnyvale - Tenant Landlord and mediation program	7/1/13 - 6/30/14	14.218		9,650	9,650
City of Sunnyvale - Fair Housing	7/1/13 - 6/30/14	14.218		20,000	20,000
City of Turlock - Fair Housing	7/1/13 - 6/30/14	14.218	13-028	10,000	10,000
County of San Mateo - Fair Housing	7/1/12 - 6/30/14	14.218	79000-13-D017	28,000	28,000
County of Stanislaus - Fair Housing	7/1/13 - 6/30/14	14.218		25,000	25,000
County of Santa Clara -Law Foundation of Santa Clara Valley - Fair Housing Services	7/1/13 - 6/30/14	14.218	FH-14-01	56,049	56,049
County of Santa Clara - Tenant-Landlord Services	7/1/13 - 6/30/14	14.218	PS-13-10	35,119	35,119
Sub-Total Community Development Block Grants				<u>556,443</u>	<u>554,724</u>
<u>Other Passthrough Funding</u>					
National Foreclosure Mitigation Counseling Program - Neighborhood Reinvestment Corporation: PL112-55:95X1350 Rural Community Assistance Corporation	7/1/13 - 6/30/14	21.000	CalHFA/NFMC-P127-12	103,500	93,786
				<u>103,500</u>	<u>93,786</u>
Total Expenditures of Federal Financial Assistance				<u>\$ 696,744</u>	<u>\$ 663,157</u>

See accompanying notes to the schedule of expenditures of federal awards.

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Project Sentinel and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Project Sentinel it is not intended to and does not present the financial position, changes in net assets, or cash flows of Project Sentinel .

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

SECTION III
REPORTS

FOUNDERS

Alexander W. Berger (1916-2005)
Griffith R. Lewis (1930-2012)

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

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 Audit Committee of
Project Sentinel
(A California Nonprofit Public Benefit Corporation)
Santa Clara, 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 Project Sentinel (a California nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2014, 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 December 4, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Project Sentinel's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Project Sentinel's internal control. Accordingly, we do not express an opinion on the effectiveness of Project Sentinel'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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Project Sentinel'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.

A handwritten signature in black ink that reads "Berger Lewis Accountancy Corporation". The signature is written in a cursive, flowing style.

BERGER LEWIS ACCOUNTANCY CORPORATION
San Jose, California
December 4, 2014

FOUNDERS

Alexander W. Berger (1916-2005)
Griffith R. Lewis (1930-2012)

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
CIRCULAR A-133

To the Audit Committee of
Project Sentinel
(A California Nonprofit Public Benefit Corporation)
Santa Clara, California

Report on Compliance for Each Major Federal Program

We have audited Project Sentinel's (a California nonprofit public benefit corporation) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Project Sentinel's major federal programs for the years June 30, 2014. Project Sentinel's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Project Sentinel'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Project Sentinel'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 Project Sentinel's compliance.

Opinion on Each Major Federal Program

In our opinion, Project Sentinel 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, 2014.

Report on Internal Control Over Compliance

Management of Project Sentinel 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 Project Sentinel'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 OMB Circular A-133, 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 Project Sentinel'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Berger Lewis Accountancy Corporation

BERGER LEWIS ACCOUNTANCY CORPORATION

San Jose, California

December 4, 2014

SECTION IV
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

SUMMARY OF AUDITOR'S RESULTS:

1. The auditor's report expresses an unmodified opinion on the financial statements of Project Sentinel.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Project Sentinel, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Project Sentinel expresses an unmodified opinion on all major federal programs.
6. No audit findings which would be required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major program was:
Community Development Block Grants - CFDA 14.218.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Project Sentinel was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT:

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Name of Program - Community Development Block Grants

CFDA No. - 14.218

None

PRIOR YEAR AUDIT FINDINGS:

None

PROJECT SENTINEL
(A California Nonprofit Public Benefit Corporation)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2014

NONE

Project Sentinel

Financial Statements and
Supplemental Information
Year Ended June 30, 2015
(With Comparative Totals
for the Year Ended June 30, 2014)



TABLE OF CONTENTS

	<u>Page No.</u>
I. Financial Section	
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13
II. Supplemental Information	
Schedule of Expenditures of Federal Awards	14
Notes to Schedule of Expenditures of Federal Awards	15
III. Reports	
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 <i>Government Auditing Standards</i>	16 - 17
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	18 - 19
IV. Schedule of Findings and Questioned Costs	
Schedule of Findings and Questioned Costs	20
Summary Schedule of Prior Audit Findings	21

SECTION I
FINANCIAL SECTION
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Project Sentinel
Santa Clara, California

Report on the Financial Statements

We have audited the accompanying financial statements of Project Sentinel (a California nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Project Sentinel as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements as of and for the year ended June 30, 2014, were audited by Berger Lewis Accountancy Corporation, whose practice became part of Armanino^{LLP} as of January 1, 2015, and whose report dated December 4, 2014, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 November 5, 2015 on our consideration of Project Sentinel'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 Project Sentinel's internal control over financial reporting and compliance.


Armanino^{LLP}
San Jose, California

November 5, 2015

PROJECT SENTINEL
Statement of Financial Position
June 30, 2015
(With Comparative Totals for 2014)

ASSETS

	2015	2014
Assets		
Cash and equivalents	\$ 565,919	\$ 533,982
Accounts receivable	12,416	25,539
Grants receivable	569,277	509,017
Prepaid expenses and other assets	7,741	4,646
Property and equipment, net	37,309	43,061
Total assets	\$ 1,192,662	\$ 1,116,245

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 68,775	\$ 44,963
Accrued expenses	89,926	83,549
Agency funds	33,025	33,025
Total liabilities	191,726	161,537
Unrestricted net assets		
Unrestricted	953,427	864,235
Invested in building and equipment	37,309	43,061
Total unrestricted net assets	990,736	907,296
Temporarily restricted net assets	10,200	47,412
Total net assets	1,000,936	954,708
Total liabilities and net assets	\$ 1,192,662	\$ 1,116,245

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

PROJECT SENTINEL
Statement of Activities
For the Year Ended June 30, 2015
(With Comparative Totals for 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue				
Governmental grants and contracts	\$ 1,584,680	\$ -	\$ 1,584,680	\$ 1,333,936
Foundation, corporate and other grants	3,000	45,000	48,000	88,138
Contributions	4,047	-	4,047	7,495
Contributions - in-kind	467,583	-	467,583	483,725
Program fees - training	43,904	-	43,904	49,457
Settlement income	52,570	-	52,570	26,893
Investment income	274	-	274	556
Other income	16,762	-	16,762	300
Total support and revenue	<u>2,172,820</u>	<u>45,000</u>	<u>2,217,820</u>	<u>1,990,500</u>
Net assets released from restrictions				
Satisfaction of program restrictions	82,212	(82,212)	-	-
Total support and revenue	<u>2,255,032</u>	<u>(37,212)</u>	<u>2,217,820</u>	<u>1,990,500</u>
Expenses				
Program services				
Fair housing	906,365	-	906,365	721,537
Mediation services	744,045	-	744,045	719,510
HUD homeownership counseling	305,572	-	305,572	366,329
Total program services	<u>1,955,982</u>	<u>-</u>	<u>1,955,982</u>	<u>1,807,376</u>
Supporting services				
Management and general	215,610	-	215,610	226,179
Total supporting services	<u>215,610</u>	<u>-</u>	<u>215,610</u>	<u>226,179</u>
Total expenses	<u>2,171,592</u>	<u>-</u>	<u>2,171,592</u>	<u>2,033,555</u>
Change in net assets	83,440	(37,212)	46,228	(43,055)
Net assets, beginning of year	<u>907,296</u>	<u>47,412</u>	<u>954,708</u>	<u>997,763</u>
Net assets, end of year	<u>\$ 990,736</u>	<u>\$ 10,200</u>	<u>\$ 1,000,936</u>	<u>\$ 954,708</u>

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

PROJECT SENTINEL
Statement of Functional Expenses
For the Year Ended June 30, 2015
(With Comparative Totals for June 30, 2014)

	Program Services				Supporting Services		Total Expenses	
	Fair Housing	Mediation Services	HUD Housing Counseling	Total	Management and General	Total	2015	2014
Salaries and wages	\$ 417,683	\$ 389,093	\$ 195,300	\$ 1,002,076	\$ 21,021	\$ 21,021	\$ 1,023,097	\$ 926,657
Employee benefits	38,939	51,959	22,231	113,129	1,001	1,001	114,130	125,329
Payroll taxes	<u>31,667</u>	<u>28,855</u>	<u>15,566</u>	<u>76,088</u>	<u>1,735</u>	<u>1,735</u>	<u>77,823</u>	<u>69,019</u>
	488,289	469,907	233,097	1,191,293	23,757	23,757	1,215,050	1,121,005
Professional fees	5,425	19,936	10,643	36,004	153,563	153,563	189,567	182,507
Professional fees, in-kind	242,802	152,781	-	395,583	-	-	395,583	411,725
Contracted services	26,938	214	-	27,152	16,438	16,438	43,590	20,532
Testers	6,548	-	-	6,548	-	-	6,548	10,187
Office supplies	4,826	7,172	4,341	16,339	1,755	1,755	18,094	9,771
Telephone	12,706	10,562	4,874	28,142	1,789	1,789	29,931	30,054
Postage and shipping	900	1,040	833	2,773	173	173	2,946	4,872
Occupancy	32,562	19,838	9,604	62,004	3,511	3,511	65,515	68,899
Occupancy, in-kind	21,000	29,100	18,120	68,220	3,780	3,780	72,000	72,000
Equipment costs	18,205	18,300	6,485	42,990	1,273	1,273	44,263	36,444
Outreach	3,017	623	51	3,691	495	495	4,186	925
Printing and publications	5,365	1,640	1,388	8,393	5	5	8,398	11,662
Meals and transportation	18,308	5,559	9,813	33,680	1,186	1,186	34,866	22,603
Conference and training	14,230	2,295	990	17,515	14	14	17,529	9,137
Insurance	949	1,827	1,701	4,477	6,046	6,046	10,523	7,193
Miscellaneous	<u>1,994</u>	<u>1,410</u>	<u>2,079</u>	<u>5,483</u>	<u>1,768</u>	<u>1,768</u>	<u>7,251</u>	<u>3,267</u>
Total expenses before Depreciation	904,064	742,204	304,019	1,950,287	215,553	215,553	2,165,840	2,022,783
Depreciation	<u>2,301</u>	<u>1,841</u>	<u>1,553</u>	<u>5,695</u>	<u>57</u>	<u>57</u>	<u>5,752</u>	<u>10,772</u>
Total expenses	<u>\$ 906,365</u>	<u>\$ 744,045</u>	<u>\$ 305,572</u>	<u>\$ 1,955,982</u>	<u>\$ 215,610</u>	<u>\$ 215,610</u>	<u>\$ 2,171,592</u>	<u>\$ 2,033,555</u>
Percentage of total	42%	34%	14%	90%	10%	10%	100%	

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

PROJECT SENTINEL
Statement of Cash Flows
For the Year Ended June 30, 2015
(With Comparative Totals for June 30, 2014)

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 46,228	\$ (43,055)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	5,752	10,772
Change in operating assets and liabilities		
Accounts receivable	13,123	(19,534)
Grants receivable	(60,260)	(33,181)
Prepaid expenses and other assets	(3,095)	4,904
Accounts payable	23,812	(16,111)
Accrued expenses	6,377	11,373
Agency funds	-	(98)
Net cash provided by (used in) operating activities	31,937	(84,930)
Cash flows from financing activities		
Repayments under lease contract payable	-	(562)
Net cash used in financing activities	-	(562)
Net increase (decrease) in cash and cash equivalents	31,937	(85,492)
Cash and cash equivalents at beginning of year	533,982	619,474
Cash and cash equivalents at end of year	\$ 565,919	\$ 533,982
Non Cash Transactions		
Donated services and rent	\$ 467,583	\$ 483,725

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

Project Sentinel
Notes to Financial Statements
June 30, 2015 With Comparative Totals for 2014

1. Organization

Project Sentinel (the "Organization"), was founded in 1971, and incorporated in the state of California in 1990. The Organization provides fair housing, tenant/landlord mediation services, and mortgage counseling to residents of the Counties of Santa Clara, San Mateo, Stanislaus, Monterey, Sacramento and to the cities of Fremont and Merced. These programs operate out of offices located in Redwood City, Santa Clara, Fremont, Gilroy, Modesto and Sacramento.

The Organization's primary source of revenue consists of federal grants from the Department of Housing and Urban Development (HUD) which are received directly from HUD or passed through local jurisdictions. In addition, the Organization receives some local government grants from the jurisdictions served by the Organization. On occasion, the Organization receives foundation grants and corporate grants as well as court awarded settlement monies for legal action related to fair housing.

2. Program Services

Fair housing

Provides civil rights protection to victims of housing discrimination by investigating complaints, informing targeted populations of their rights, educating housing providers on their responsibilities and orienting the general public to the benefits of integrated, balanced communities.

Mediation services

Provides counseling and dispute resolution for tenants, owners and managers of rental housing to make informed decisions contributing to a balanced community.

HUD homeownership counseling

Assists first time home buyers to prepare for homeownership through individual counseling and public education. Assists homeowners in fear of mortgage default and foreclosure by counseling and intervening with lending institutions.

3. Summary of Significant Accounting Policies

Basis of presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. Net assets and changes therein are classified as follows:

Project Sentinel
Notes to Financial Statements
June 30, 2015 With Comparative Totals for 2014

3. Summary of Significant Accounting Policies (continued)

Basis of presentation (continued)

- Unrestricted net assets - net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets - net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. The Organization does not imply a time restriction on gifts of long lived assets.
- Permanently restricted net assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. As of June 30, 2015, the Organization had no permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Temporarily restricted revenues received that meet the donor-imposed stipulation during the same fiscal period are recorded as temporarily restricted revenue and are released from restriction in the corresponding fiscal period.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Revenue recognition

The Organization recognizes support and revenue on the accrual basis of accounting. Revenue from grants which have been classified as "exchange transactions" and program fees are recognized as revenue in the period in which the service is provided.

Contributions

Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the nature of donor restrictions. Temporarily restricted contributions are reported as increases in restricted net assets. When the restriction is satisfied or expires, temporarily restricted net assets are released and reclassified as unrestricted net assets.

Project Sentinel
Notes to Financial Statements
June 30, 2015 With Comparative Totals for 2014

3. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less, and exclude donor receipts restricted for long-term purposes. The Organization maintains its cash in bank deposit accounts which, at times, may exceed Federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Accounts and grants receivable

The Organization considers all accounts and grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

Property and equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over \$1,000 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets, which range from 3 to 15 years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

Accrued vacation

Accrued vacation represents vacation earned, but not taken as of June 30, 2015 and 2014, and is included in "accrued expenses" in the statement of financial position. The accrued vacation balance as of June 30, 2015 and 2014 was \$50,800 and \$57,493, respectively.

Contributions in-kind

Donated equipment and the use of facilities (in-kind rent) are recorded at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered.

Expense allocation

The costs of providing the 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.

Allocation of indirect functional expenses

Indirect functional expenses are allocated to program and supporting services based on an analysis of personnel time and space utilized.

Project Sentinel
Notes to Financial Statements
June 30, 2015 With Comparative Totals for 2014

3. Summary of Significant Accounting Policies (continued)

Income taxes

The Organization is a qualified organization exempt from federal and California income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Service Code (IRC) and 23701(d) of the State of California Revenue and Taxation Code. As such, the Organization qualifies for the maximum charitable contribution deduction by donors.

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2015, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Reclassifications

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

Subsequent events

Management of the Organization has evaluated events and transactions subsequent to June 30, 2015 for potential recognition or disclosure in the financial statements. The Organization did not have subsequent events that required recognition or disclosure in the financial statements for the fiscal year ended June 30, 2015. Subsequent events have been evaluated through the date the financial statements became available to be issued November 5, 2015.

Project Sentinel
Notes to Financial Statements
June 30, 2015 With Comparative Totals for 2014

4. Property and Equipment

The cost and related accumulated depreciation of the property and equipment at June 30, consisted of the following:

	2015	2014
Furniture and equipment	\$ 50,807	\$ 50,807
Leasehold improvements	28,968	28,968
	79,775	79,775
Less: accumulated depreciation	(42,466)	(36,714)
Property and equipment, net	\$ 37,309	\$ 43,061

Depreciation expense for the years ended June 30, 2015 and 2014 was \$5,752 and \$10,772, respectively.

5. Agency Funds

The Organization serves as a fiscal agent for the Fair Housing Retrofit Fund. This fund provides grants to disabled low income renters and owners in order to retrofit their residences for qualifying disabilities. The parameters governing the awarding of the grants were set by and are overseen by the Santa Clara County Fair Housing Task Force. Project Sentinel holds these funds in a custodial capacity.

6. Contributions in-kind

The estimated fair value of professional services, rent and property and equipment received are recorded as contributions. During the years ended June 30, the following in-kind contributions were received:

	2015	2014
Professional services	\$ 395,583	\$ 411,725
Rent	72,000	72,000
Total contributions in-kind	\$ 467,583	\$ 483,725

7. Temporarily Restricted Net Assets

The Organization's temporarily restricted net assets at June 30, consisted of the following:

	2015	2014
Homeownership counseling	\$ 10,200	\$ 47,412

Project Sentinel
Notes to Financial Statements
June 30, 2015 With Comparative Totals for 2014

8. Net Assets Released from Restrictions

Net assets were released from restrictions during the year by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

	<u>2015</u>
Purpose restrictions	
Homeownership counseling	<u>\$ 82,212</u>

9. Employee retirement plan

The Organization offers a Section 125 cafeteria plan and a 403(b) retirement plan to all eligible employees working 35 or more hours per week. The Organization offers each eligible employee either a base medical plan or contribution to the 403(b) plan. In the case that an employee chooses medical coverage, the cost of selected benefits in excess of the base medical plan are deducted from employee compensation. In the case that an employee declines medical coverage, the Organization contributes 10% of their compensation to the 403(b) plan. Employees may make voluntary contributions to their 403(b) plan through payroll deductions. The Organization does not match employee voluntary contributions.

10. Contingencies

Grants and contracts

Grants and contracts awarded to Project Sentinel are subject to the funding agencies' criteria, contract terms and regulations under which expenditures may be charged and are subject to audit under such terms, regulations and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs.

Management does not anticipate any material questioned costs for the contracts and grants administered during the period. The Organization would be responsible for the absorption of any over-expenditure of its restricted grants which cannot be covered by additional grant funds or contributions from other sources.

11. Concentrations

The Organization receives approximately 36% of its support and revenue directly or indirectly from the Department of Housing and Urban Development. A reduction in awards of grants from this agency could materially impact the services the Organization provides.

Project Sentinel
Notes to Financial Statements
June 30, 2015 With Comparative Totals for 2014

12. Operating Lease Commitments

The Organization leases office space in three locations: Redwood City, Fremont, and Gilroy, with non-cancelable leases expiring in 2015 and 2016. Facilities in Modesto are rented on a month-to-month basis. The use of the fifth office location, Santa Clara, is donated (under an agreement that expires in December 2015) to the Organization in exchange for services it provides to the tenants of the adjacent low income housing apartment building. The Organization also leases office equipment under non-cancelable leases expiring in 2015 and 2016. Lease expense (including the value of donated rent) for the years ended June 30, 2015 and 2014 was \$139,898 and \$130,287, respectively.

Future minimum lease payments, including the value of donated space, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 62,900
2017	4,115
2018	<u>3,881</u>
Total future minimum lease payments	<u>\$ 70,896</u>

13. Conflict of Interest Policy

Included among the Organization's Board of Directors and Officers are volunteers from the community who provide valuable assistance to the Organization in the development of policies and programs and in the evaluation of business transactions. The Organization has adopted a conflict of interest policy whereby Board members are disqualified from participation in the final decisions regarding any action affecting their related company or agency.

SECTION II
SUPPLEMENTARY INFORMATION

PROJECT SENTINEL
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
Direct Programs			
Housing Counseling Assistance Program	14.169		\$ 20,076
Fair Housing Initiatives Program	14.408		115,449
Pass-through Programs			
Fair Housing Initiatives Program			
Law Foundation of Santa Clara Valley - Out Reach & Education	14.408		13,631
Sub-Total Fair Housing Initiatives Program			<u>129,080</u>
Community Development Block Grants/Entitlement Grants			
City of Daly City - Fair Housing	14.218		7,478
City of Fremont - Fair Housing - Tenant Landlord	14.218		95,394
City of Merced - Fair Housing	14.218		25,000
City of Milpitas - Tenant Landlord and Fair Housing Counseling	14.218		15,000
City of Modesto - Fair Housing Services	14.218		25,876
City of Mountain View - Fair Housing	14.218	MC-06-00-19	10,000
City of Palo Alto - Fair Housing	14.218	C14151082	32,016
City of Redwood City - Fair Housing	14.218		27,524
City of Salinas - Fair Housing	14.218		16,442
City of San Jose, Law Foundation of Silicon Valley - Fair Housing Law Project	14.218		96,357
City of San Jose - Homebuyers Education Project	14.218	LMI-10-003	31,635
City of San Mateo - Fair Housing	14.218		15,000
City of South San Francisco - Fair Housing	14.218		8,569
City of Sunnyvale - Tenant Landlord and Mediation Program	14.218		45,000
City of Sunnyvale, Law Foundation of Silicon Valley - Fair Housing	14.218		9,650
City of Turlock - Fair Housing	14.218	13-028	10,000
County of Monterey - Fair Housing	14.218		10,000
County of San Mateo - Fair Housing	14.218	79000-13-D017	30,800
County of Stanislaus - Fair Housing	14.218		25,000
County of Santa Clara -Law Foundation of Santa Clara Valley - Fair Housing Services	14.218	PS15-01, PS15-13	52,647
County of Santa Clara - Tenant-Landlord Services	14.218	PS-15-15	<u>30,367</u>
Sub-Total Community Development Block Grants/Entitlement Grants			<u>619,755</u>
Total U.S. Department of Housing and Urban Development			<u>768,911</u>
U.S. Department of the Treasury			
Pass-through Programs			
National Foreclosure Mitigation Counseling Program -			
Neighborhood Reinvestment Corporation: PL112-55:95X1350			
Rural Community Assistance Corporation	21.000	NFMC/CalHFA-P127/15	81,900
Total U.S. Department of the Treasury			<u>81,900</u>
Total expenditures of federal awards			<u>\$ 850,811</u>

See accompanying notes to the schedule of expenditures of federal awards.

Project Sentinel
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Project Sentinel under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Project Sentinel, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Project Sentinel.

2. Summary of Significant Accounting Policies

- 1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Pass-through entity identifying numbers are presented where available.

3. Uniform Guidance

The OMB Uniform Guidance became effective on December 26, 2014. Non-Federal entities are not required to implement the reforms to administrative requirements and cost principles until they receive a federal award with terms and conditions that incorporate the Uniform Guidance on or after December 26, 2014. The Organization did not have any federal awards subject to the Uniform Guidance during the year ended June 30, 2015.

SECTION III
REPORTS

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
Project Sentinel
Santa Clara, 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 Project Sentinel (a California nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Project Sentinel's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Project Sentinel's internal control. Accordingly, we do not express an opinion on the effectiveness of Project Sentinel'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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Project Sentinel'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.



Armanino^{LLP}
San Jose, California

November 5, 2015



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
CIRCULAR A-133

To the Board of Directors
Project Sentinel
Santa Clara, California

Report on Compliance for Each Major Federal Program

We have audited Project Sentinel's (a California nonprofit public benefit corporation) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Project Sentinel's major federal programs for the year ended June 30, 2015. Project Sentinel's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Project Sentinel'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Project Sentinel'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 Project Sentinel's compliance.

Opinion on Each Major Federal Program

In our opinion, Project Sentinel 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, 2015.

Report on Internal Control Over Compliance

Management of Project Sentinel 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 Project Sentinel'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 OMB Circular A-133, 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 Project Sentinel'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Armanino^{LLP}
San Jose, California

November 5, 2015

SECTION IV
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Project Sentinel
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Project Sentinel.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Project Sentinel, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Project Sentinel expresses an unmodified opinion on all major federal programs.
6. No audit findings which would be required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major program was:
 - Community Development Block Grants/Entitlement Grants - CFDA 14.218.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Project Sentinel was determined to be a low-risk auditee.

Findings - Financial Statement Audit

None

Findings and Questioned Costs - Major Federal Award Programs Audit

U.S. Department of Housing and Urban Development

Name of Program - Community Development Block Grants/Entitlement Grants

CFDA No. - 14.218

None

Project Sentinel
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

None

90 7th Street, Suite 4-600
San Francisco, CA 94103-6705
PHONE: (415) 437-7820
FAX: (415) 437-7823
EMAIL: CAS-SF@psc.hhs.gov

September 1, 2015

Ann Marquart
Executive Director
Project Sentinel
1490 El Camino Real
Santa Clara, CA 95050

Dear Ms. Marquart:

A copy of an indirect cost rate agreement is being sent to you for signature. This agreement is issued on behalf of your organization's cognizant agency, Department of Housing and Urban Development. It reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and return within ten business days of receipt. The signed agreement can be sent to me by email or fax, while retaining the copy for your files. Only when the signed agreement is returned, will we then reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost proposal, together with the supporting information, is required to substantiate claims for indirect costs under grants and contracts awarded by the Federal government. Thus, your next proposal based on actual costs for the fiscal year ending 06/30/16 should be submitted by 12/31/16 to:

Department of Housing and Urban Development
Attn: Ronald Bedoya
451 7th Street, SW
Room 9224
Washington, DC 20410
202-402-2449
Ronald.W.Bedoya@hud.gov

If you have any questions regarding the rate agreement, please contact this office at 415-437-7820.

Sincerely,

Arif M. Karim -A

Digitally signed by Arif M. Karim -A
DN: c=US, o=U.S. Government, ou=HHS,
ou=PSC, ou=People, cn=Arif M. Karim -A,
0.9.2342.19200300.100.1.1=2000212895
Date: 2015.09.02 21:43:47 -0500

Arif Karim, Director
Cost Allocation Services

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL OR FAX

NONPROFIT RATE AGREEMENT

EIN: 77-0266612

DATE: 09/01/2015

ORGANIZATION:

Project Sentinel

1490 El Camino Real

Santa Clara, CA 95050-4609

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PROV.	07/01/2015	06/30/2017	32.40	All	All Programs

*BASE

Direct salaries and wages excluding all fringe benefits.

ORGANIZATION: Project Sentinel

AGREEMENT DATE: 9/1/2015

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

TREATMENT OF PAID ABSENCES

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the cost of these paid absences.

The directly claimed fringe benefits are:

PAYROLL TAXES, MEDICAL/DENTAL/LIFE INSURANCE, UNEMPLOYMENT INSURANCE, WORKER'S COMPESNATION INSURANCE, AND EMPLOYER 403(b) CONTRIBUTIONS.

DEFINITION OF EQUIPMENT

Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.

NEXT PROPOSAL DUE DATE

A proposal based on actual costs for fiscal year ending 06/30/16, will be due no later than 12/31/16.

This Rate Agreement is issued in accordance with the Customer Service Agreement (CSA) between DHHS/CAS and U.S. Department of Housing and Urban Development.

ORGANIZATION: Project Sentinel

AGREEMENT DATE: 9/1/2015

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE INSTITUTION:

Project Sentinel

(INSTITUTION)



(SIGNATURE)

Ann Marquart

(NAME)

Executive Director

(TITLE)

9/3/2015

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Arif M. Karim -A

Digitally signed by Arif M. Karim -A
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC,
ou=People, cn=Arif M. Karim -A,
0.9.2342.19200300.100.1.1=2000212895
Date: 2015.09.02 21:43:04 -0500

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

9/1/2015

(DATE) 9602

HHS REPRESENTATIVE:

Karen Wong

Telephone:

(415) 437-7820



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: City of Milpitas Recreation Services Date: 2/3/16

Address: 457 E. Calaveras Blvd.
Street Address *Suite Number*

Milpitas CA 95035
City *State* *ZIP Code*

Phone: 408-586-3210 Email: jchew@ci.milpitas.ca.gov

Executive Director: Renee Lorentzen, Recreation Services Manager

Project Manager (PM): Jaime Chew, Recreation Services Supervisor

PM's Phone: 408-586-3226 PM's Email: jchew@ci.milpitas.ca.gov

DUNS #: N/A

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service

- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

Milpitas Recreation Services is dedicated to providing endless opportunities for the community to have unique, fun and beneficial recreational experiences. The division services all age groups (youth through seniors) through a variety of programs. Youth programs include pre-k enrichment classes, after school care, a year-round swim team, summer swim lessons, summer day camps and special interest classes (arts & crafts, cooking, dance, music, fitness, etc.). Adult programs include the Sports Center (fitness center and many aerobics/fitness classes, lap swim and adult sports programs), and various special interest classes (dance, music and sports). The Senior Center offers drop-in and class activities, day trips, a lunch program and Case Manager services. Other offerings include city-wide special events, grants for cultural art events, and volunteer services. The Community Center and Senior Center, along with multiple outdoor facilities, are also available to rent. The division is proud to offer the Recreation Assistance Program (RAP) which offers scholarships to low income residents so that they may participate in and enjoy recreational experiences in their hometown.

Section B: Funding Request

Total funding requested for this project	\$25,000
Total cost of project	\$25,000
Other funds leverage for project i.e. Private Donations (estimation)	Donations (varies)
Other funds not secured by project	\$0
Are you getting County assistance, if so, please list	\$0

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

CDBG funding amounts determine how many Recreation Assistance Program (RAP) applicants we can serve. In addition, if less than the full amount is awarded, applicants will be requested to pay a portion of their enrollment fees in order to allow more applicants to benefit from partial scholarships. Although CDBG funding makes up the bulk of funding available to Milpitas Residents, donations are also accepted for the program from the general public.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Yes.
 2014: \$5,000
 2013: \$6,195.34
 2012: \$7,721.44
 2011: 19,717.08.

Section C: Project Eligibility

Targeted Clientele: Milpitas Residents – All Ages

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

Recreation Services created the Recreation Assistance Program (RAP) to assist the City of Milpitas' low income families or households in need of financial assistance to participate in the many programs offered by the division. With this program (when funded at the maximum amount), the City of Milpitas would be able to help approximately 166 individuals or households enjoy programs and activities that they would otherwise not be able to participate in. Qualified applicants may apply for funding for eligible programs which may include: pre-k enrichment programs, after school programs, swim lessons, senior programs, special interest classes, day camps and more. Applicants would be eligible for a maximum of \$250 per individual or household with a 50/50 match on fees for all eligible programs. With high demand for assistance, our after school program scholarships are awarded via a lottery system and all other scholarships are awarded on a first come, first serve basis.

CDBG Criteria:
What criteria

does your proposed project meet?

- (1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)
- (2) Limited Clientele (select from the options below):
 - (a) Special needs group
 - Abused children
 - Elderly persons 62 years or older
 - Battered persons
 - Severely disabled adults (not children) as defined by the Census
 - Illiterate adults
 - Persons living with HIV/AIDS
 - Migrant farm workers
 - Homeless persons
 - (b) At least 51% of clientele to be served will be documented as LMI
- (3) Housing (select from the options below):
 - Single Family (must be 100% LMI)
 - Multi-unit (must be 51% LMI)
- (4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	30 (based on current funding of \$5,000)	166 (if funded at \$25,000)	100%

2. Cost Per Client Annually	Varies (up to \$250 per individual/household)	Same	100%
3. How many are low- and very-low income?	All applicants must meet low income threshold as established by HUD	Same	100%
4. Will the proposed assistance result in increase in clients? State projected number.	N/A	Yes	100%
5. What is the total number of unduplicated clients/households to be served?	30	166 (if funded at \$25,000)	100%

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

All CDBG funds have paid for individuals or households to participate in Recreation programs and activities.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

The basis for the data listed above is derived from applications received for RAP Scholarships, which includes tax forms and/or proof of income and registration forms from participants for activities. Information is collected, reviewed and filed by staff.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

Our Recreation Assistance Program is advertised through our Recreation Activity Guide and on our City website. Both of these marketing avenues are successful in reaching clients to participate in our program.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Recreation Assistance Program (RAP)

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	0	0	0	0
Benefits	0	0	0	0
Rent	0	0	0	0
Telephone	0	0	0	0
Postage	0	0	0	0
Printing (including Ads)	0	0	0	0
Supplies	0	0	0	0
Travel	0	0	0	0
Utilities	0	0	0	0
Equipment & Maintenance	0	0	0	0
Dues & Subscriptions	0	0	0	0
Accounting Services	0	0	0	0
Contract Services	0	0	0	0
Insurance	0	0	0	0
Conference	0	0	0	0
Miscellaneous	\$25,000	0	\$25,000	Varies
TOTAL	\$25,000	0	\$25,000	Varies

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Recreation Assistance Program (RAP)

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Jaime Chew, Recreation Services Supervisor	10%	Review and approve applications and register qualified applicants in the appropriate programs.	Appropriately allocate all CDBG funds to qualified individuals/households.

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: _____
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Recreation Assistance Program (RAP)

Project Coordinator: Jaime Chew, Recreation Services Supervisor

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Varies (includes afterschool programs, swim lessons, day camps, senior programs, etc.)	ongoing											

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Jaime Chew

Title Recreation Services Supervisor

Miscellaneous	\$10,000 (if funded @ \$25,000)	\$1,250 (if funded @ \$25,000)	\$5,000 (if funded @ \$25,000)	0	0	\$25,000								
TOTAL	\$10,000 (if funded @ \$25,000)	\$1,250 (if funded @ \$25,000)	0	0	\$25,000									

February 5, 2016

Tim Wong
Housing and Neighborhood Services Manager
455 E. Calaveras Blvd.
Milpitas, CA 95035-5411

**RE: CDBG Application for Sango Court Housing Development
1700 Sango Court, Milpitas**

Dear Tim:

Resources for Community Development (RCD) is pleased to submit a funding application for early predevelopment work for the Sango Court Apartments which will consist of 75 service-enriched affordable apartments, a resident manager's unit and community space for larger families of which 19 we are proposing will be set aside for persons with special needs. Located in an ideal location near the new BART station in the Transit Area Specific Plan, this development will be an extremely important project to help the City meet its goal of providing housing for those identified in the City's Consolidated Plan as follows:

- Renter households with income of 30% or less of the area median income, especially large households, seniors, disabled persons, single-female headed households and minority households.
- Homeless persons and those individuals at-risk of being homelessness.
- Special need populations.

The total development cost is approximately \$47 million. In addition to City assistance, proposed sources for the development include State of California HOME funds, Affordable Housing and Sustainable Communities funds, and 4% tax credits. We anticipate that the project will be competitive for these funding sources and with the City's support we could start construction by early 2018.

If you have any questions about our application, please contact Dan Hardy, Acquisitions Project Manager, at 510-841-4410 x 309 or dhardy@rcdhousing.org. Thank you for your consideration.

Sincerely,



Daniel Sawislak
Executive Director

Attachments

CDBG application

Exhibit A: Project Funding – 2016-2017

Development Pro Forma (Summary, Detailed Sources & Uses, 15 year Cash Flow)

Exhibit B: Project Work Plan

Exhibit C: Proposed Implementation Activity Time Schedule

Exhibit D: Monthly Project Budget

RCD Brochure



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Resources for Community Development Date: 2/5/16

Address: 2220 Oxford Street
Street Address *Suite Number*

Berkeley CA 94704
City *State* *ZIP Code*

Phone: 510-841-4410 Email: dhardy@rcdhousing.org

Executive Director: Dan Sawislak

Project Manager (PM): Dan Hardy

PM's Phone: 510-841-4410 ext. 309 PM's Email: dhardy@rcdhousing.org

DUNS #: 363812082

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

For 32 years, RCD has created and preserved over 2200 affordable homes for very low income individuals and families. Thousands of low-income families have benefitted from rent that's within their means, allowing them to live independently. For low-income seniors, working families, and people with special needs – our mission is to create and preserve affordable housing for them, to build community and enrich lives.

Rents in the Bay Area have been relatively high for many years. That's what motivated a group of Berkeley community members to found our non-profit to address the problem of an inadequate supply of safe, affordable housing for low-income people who were being pressured to leave the community because of rising rents. Today, we continue to look for opportunities to work together to reimagine, recreate, and redefine how to provide affordable homes, for a better

Agency's Mission: future for those with the fewest options.

Section B: Funding Request

Total funding requested for this project	\$150,000
Total cost of project	\$47,228,655
Other funds leverage for project i.e. Private Donations (estimation)	\$47,078,655
Other funds not secured by project	\$
Are you getting County assistance, if so, please list	\$

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

RCD plans to use the City's CDBG funds to pay for predevelopment work on the project including site acquisition costs and architecture/engineering. If less than full funding is received, RCD will approach other predevelopment funding sources such as Silicon Valley Housing Trust and Santa Clara County.

As demonstrated by our diverse portfolio, RCD has applied for and has consistently been awarded funding from local, state and federal sources, including HOME, CDBG, MHSA and HOPWA, State Multifamily Housing Program (MHP), MHP-Supportive Housing and Infill and Infrastructure Grant funds; Tax Exempt Bonds, Low Income Housing Tax Credits (9% and 4%), SHP, Shelter Plus Care, Federal Home Loan Bank Affordable Housing Program (AHP), foundation grants, New Market Tax Credits, and Section 108/Brownfields Economic Development funds. RCD has the track record to leverage competitive pricing and deal terms from lenders and investors, and the financial strength to provide the necessary guarantees for projects of this scale. We also have the organizational capacity to move projects through pre-development efficiently, positioning the project for funding applications early.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

This will be RCD's first application to the City of Milpitas for CDBG. We have received numerous other CDBG awards for this type of project in other jurisdictions in the Bay Area.

Section C: Project Eligibility

Targeted Clientele: Extremely, Very and Low-Income Large Families. Some of the smaller units will be set aside for persons with special needs.

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

Sango Court will be a new multi-family workforce housing development that will offer 75 units of affordable housing within a 4-5 story mixed-use development in a smart growth location in the City of Milpitas. Preference will be given to those who live and/or work in Milpitas. It revitalizes what was an underused 1.3-acre transit-oriented site that is surrounded by large-scale commercial and residential development.

The ground floor provides a small commercial space for a retail or community-serving tenant. The residential component includes a mix of 28 one-bedroom units, 28 two-bedroom units, and 19 three-bedroom units. Nineteen units are reserved for special needs residents, some of whom are formerly homeless. Low-income households with incomes from 30 to 50 percent of Area Median Income occupy the remaining 56 affordable units.

All of the units are designed to be adapted to the needs of residents with disabilities, including three that are currently fully accessible. Onsite amenities include a community room with a full kitchen, Resident Services and Property Management offices, a learning lab and meeting space, a central laundry room, and secure parking for cars and bicycles.

RCD provides an on-site Resident Services Manager to work with residents to obtain access to local social services, organize community meetings and events, and provide classes on financial literacy and other topics. Services will also include adult educational workshops, with direct case management and services provided by service partners for the residents of the special needs units.

The building's design features thoughtful elements intended to promote quality of life. All of the units will surround a large, landscaped interior courtyard that features a playground area for children and outdoor seating. The community and laundry rooms open to the courtyard, connecting the inside and outdoor spaces. Substantial acoustic measures will be incorporated to dampen noise from the nearby BART tracks.

The building will have a controlled, central entrance with a key fob entry system, security cameras, and centrally located offices and community spaces near the main entry. The design and construction incorporate sustainable green features and renewable technologies, including solar assisted hot water, energy-efficient windows and appliances, low-VOC paints and adhesives, and environmentally preferable materials for interior finishes. It is expected to achieve the US Green Building Council's LEED Gold certification for energy and resource efficiency.

CDBG funds will be used to fund site control costs (option payments to the seller), architecture and engineering.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

Abused children

Elderly persons 62 years or older

Battered persons

Severely disabled adults (not children) as defined by the Census

Illiterate adults

Persons living with HIV/AIDS

Migrant farm workers

Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

Single Family (must be 100% LMI)

Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	0	300	300
2. Cost Per Client Annually		n/a	n/a
3. How many are low- and very-low income?		300	300
4. Will the proposed assistance result in increase in clients? State projected number.		300	300
5. What is the total number of unduplicated clients/households to be served?		300	300

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

CDBG funds will be used to fund site control costs (option payments to the seller), architecture and engineering.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

In the above calculations we are assuming an average of 4 persons per household. In addition to CDBG, all units will be restricted by other funding sources such as low income tax credits and State of California HCD funds for a period of at least 55 years.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

RCD and their property manager, The John Stewart Company, will employ a range of marketing strategies and tenant selection criteria to match the populations being served at the property, including extremely low and very low income households. Key principles of the tenant selection criteria are as follows:

1. RCD and its Management Agent shall not discriminate in violation of any federal, state or local law governing discrimination or based on any arbitrary factor.
2. Targeting of specific special needs populations will be in accordance with recorded Regulatory Agreements pursuant to various funding sources and all applicable laws.
3. Local preferences will be applied for Milpitas residents and Milpitas workers.
4. Affirmative fair marketing procedures in accordance with regulations will be followed at all times in the lease-up of units.

Informational flyers will be distributed throughout the City, the Santa Clara County Office of Supportive Housing, the Santa Clara Housing Authority, and a variety of local social service agencies organizations .

As the project evolves we will work to raise the appropriate financing to target those identified in the City's consolidated plan

as follows:

- Renter households with income of 30% or less of the area median income, especially large households, seniors, disabled persons, single-female headed households and minority households.
- Homeless persons and those individuals at-risk of being homelessness.
- Housing and support services for special need populations.

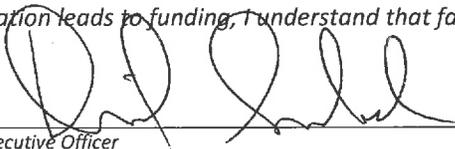
Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.



Signature of Executive Officer

2/5/16

Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Sango Court Family Apartments

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel				
Benefits				
Rent				
Telephone				
Postage				
Printing (including Ads)				
Supplies				
Travel				
Utilities				
Equipment & Maintenance				
Dues & Subscriptions				
Accounting Services				
Contract Services	\$100,000	\$47,078,655	\$47,228,655	See attached development pro forma
Insurance				
Conference				
Miscellaneous (option payments)	\$50,000			
TOTAL	\$150,000	\$47,078,655	\$47,228,655	

Summary

Site:	1700 Sango Ct, Milpitas (APN 086-36-012) 75 units, 9%
Revised:	2/5/2016

UNIT BREAKDOWN (not incl. manager's apartment)

25 project based vouchers used
\$1,733,312 federal credits requested

	TOTAL BY SIZE	30% NET RENT #	40% NET RENT #	50% NET RENT #	60% NET RENT #
0 bed	0	\$527 0	\$753 0	\$952 0	\$1,151 0
1 bed	28	\$553 8	\$898 0	\$1,137 15	\$1,377 5
2 bed	28	\$659 8	\$1,035 0	\$1,311 15	\$1,588 5
3 bed	19	\$759 7	\$1,233 0	\$1,541 9	\$1,849 3
TOTAL	75	23	0	39	13

EXPENSES (not incl. manager's apartment)

\$7,500 per unit per year w/out reserves
\$8,108 per unit per year with reserves

DEVELOPMENT USES

	RESIDENTIAL	COMMERCIAL
ACQUISITION/OFFSITES/DEMO	\$6,277,040	\$0
REHABILITATION	\$0	\$0
NEW CONSTRUCTION	\$30,456,000	\$0
ARCHITECTURAL FEES	\$2,131,920	\$0
SURVEY & ENGINEERING	\$150,000	\$0
CONST. INTEREST & FEES	\$1,372,486	\$0
PERMANENT FINANCING	\$85,309	\$0
LEGAL FEES	\$110,000	\$0
RESERVES	\$17,897	\$0
APPRAISAL	\$30,000	\$0
CONST. CONTINGENCY	\$2,131,920	\$0
OTHER	\$2,966,082	\$0
DEVELOPER FEE	\$1,400,000	\$0
SYNDICATION EXPENSES	\$100,000	\$0
TOTAL	\$47,228,655	\$0

TOTAL USES

\$47,228,655

TDC: \$621,430 per unit

DEVELOPMENT SOURCES

	AMOUNT	INT. RATE	AMORT. PERIOD	ADDITIONAL TERMS
First Trust Deed	\$2,530,934	6.00%	360.00	-
Tranche B: Operating Subsidy	\$3,500,000	6.00%	180.00	-
State HOME	\$4,600,000	0.00%	-	-
City of Milpitas/Santa Clara County	\$6,252,389	0.00%	-	-
AHSC ICP AHD	\$10,412,242	0.00%	-	-
Deferred developer fee	\$0	0.00%	-	-
Tax Credit Equity	\$19,933,090	0.00%	-	tax credit factor: 1.15, tiebreaker:63%, credit rate: 3.2
TOTAL SOURCES	\$47,228,655			

TOTAL SOURCES

\$47,228,655

OVER/(UNDER)

\$0

Sources & Uses

A. Development Budget

	TOTAL PROJECT COST	RESIDENTIAL COST	COMMERCIAL COST	New Construction or Rehab 70% PVC
<i>ACQUISITION/OFFSITES/DEMO</i>				
Total Land Cost or Value	\$6,277,040	\$6,277,040		XXXXXXXXXX
Legal/Broker Fees	\$0			XXXXXXXXXX
Off-Site Improvements	\$0			XXXXXXXXXX
Demolition	\$0			XXXXXXXXXX
Existing Improvements Value	\$0			XXXXXXXXXX
Total Acquisition Cost	\$6,277,040	\$6,277,040	\$0	\$0
<i>REHABILITATION</i>				
Site Work	\$0			\$0
Structures	\$0			\$0
General Requirements	\$0			\$0
Contractor Overhead	\$0			\$0
Contractor Profit	\$0			\$0
Prevailing Wages	\$0			\$0
General Liability Insurance	\$0			\$0
Total Rehab. Costs	\$0	\$0	\$0	\$0
<i>NEW CONSTRUCTION</i>				
Site Work	\$0			\$0
Structures	\$30,456,000	\$30,456,000		\$30,456,000
General Requirements	\$0			\$0
Contractor Overhead	\$0			\$0
Contractor Profit	\$0			\$0
Prevailing Wages	\$0			\$0
General Liability Insurance	\$0			\$0
Total New Const. Costs	\$30,456,000	\$30,456,000	\$0	\$30,456,000
<i>ARCHITECTURAL FEES</i>				
Design	\$2,131,920	\$2,131,920	\$0	\$2,131,920
Supervision	\$0			\$0
Total Architectural Costs	\$2,131,920	\$2,131,920	\$0	\$2,131,920
SURVEY & ENGINEERING	\$150,000	\$150,000		\$150,000
<i>CONST. INTEREST & FEES</i>				
Const. Loan Interest	\$871,000	\$871,000		\$871,000
Predevelop. Loan Interest/Fees	\$140,000	\$140,000		\$140,000
Origination Fee	\$181,486	\$181,486		\$181,486
Credit Enhance. & App. Fee	\$50,000	\$50,000		\$50,000
Bond Premium	\$0			\$0
Taxes	\$0	\$0		\$0
Insurance	\$100,000	\$100,000		\$100,000
Title and Recording	\$30,000	\$30,000		\$30,000
Total Const. Interest & Fees	\$1,372,486	\$1,372,486	\$0	\$1,372,486
<i>PERMANENT FINANCING</i>				
Loan Origination Fee	\$60,309	\$60,309		XXXXXXXXXX
Credit Enhance. & App. Fee	\$0			XXXXXXXXXX
Title and Recording	\$25,000	\$25,000		XXXXXXXXXX
Other	\$0			XXXXXXXXXX
Total Perm. Financing Costs	\$85,309	\$85,309	\$0	XXXXXXXXXX
<i>LEGAL FEES</i>				
Lender Legal Pd. by Applicant	\$50,000	\$50,000		\$50,000

Sources & Uses

Other (Specify)	\$60,000	\$60,000		\$60,000
Total Attorney Costs	\$110,000	\$110,000	\$0	\$110,000
<i>RESERVES</i>				
Rent Reserves	\$17,897	\$17,897		XXXXXXXXXX
Other (Specify)	\$0			XXXXXXXXXX
Total Reserve Costs	\$17,897	\$17,897	\$0	XXXXXXXXXX
TOTAL APPRAISAL COSTS	\$30,000	\$30,000		\$30,000
TOTAL CONSTRUCTION CONTINGENCY COSTS	\$2,131,920	\$2,131,920	\$0	\$2,131,920
<i>OTHER</i>				
TCAC App/Alloc/Monitor Fees	\$102,082	\$102,082		XXXXXXXXXX
Environmental Audit	\$50,000	\$50,000		\$50,000
Permit Processing Fees	\$380,000	\$380,000		\$380,000
Impact/Capital Fees	\$1,900,000	\$1,900,000		\$1,900,000
Marketing	\$76,000	\$76,000		XXXXXXXXXX
Construction Management	\$50,000	\$50,000		\$50,000
Furnishings	\$38,000	\$38,000		\$38,000
Other:	\$0			\$0
Other:Audit + Finance Cons	\$70,000	\$70,000		\$70,000
Other:Soft Cost Contingency	\$300,000	\$300,000		\$300,000
Total Other Costs	\$2,966,082	\$2,966,082	\$0	\$2,788,000
Subtotals	\$45,728,655	\$45,728,655	\$0	\$39,170,326
	Total Project Cost	Total Residential	Total Commercial	
<i>DEVELOPER COSTS</i>				
Developer Overhead/Profit (5% Acq.)	\$0			XXXXXXXXXX
Developer Overhead/Profit (NC/ Rehab.)	\$1,400,000	\$1,400,000		\$2,500,000
Consultant/Processing Agent	\$0			\$0
Project Administration	\$0			\$0
Broker Fees Paid with Project Funds to a Related Party	\$0			\$0
Construction Management Oversight by Developer	\$0			\$0
Other (specify)	\$0			XXXXXXXXXX
Total Developer Costs	\$1,400,000	\$1,400,000	\$0	\$2,500,000
TOTAL w/out syndication	\$47,128,655	\$47,128,655	\$0	\$41,670,326
Syndication Expenses	\$100,000	\$100,000		\$100,000
TCAC performance deposit				\$0
TOTAL	\$47,228,655	\$47,228,655	\$0	\$2,500,000
Source	Amount	Interest Rate	Amort. Period	Add'l Terms
First Trust Deed	\$2,530,934	6.00%	360	
Tranche B: Operating Subsidy	\$3,500,000	6.00%	180	
State HOME	\$4,600,000			
City of Milpitas/Santa Clara County	\$6,252,389			
AHSC ICP AHD	\$10,412,242			
Deferred developer fee	\$0			
Tax Credit Equity	\$19,933,090			tax credit factor: 1.15, tiebreaker:63%, credit rate: 3.2
TOTAL SOURCES	\$47,228,655			
OVER/(UNDER)	\$0			

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Sango Court Family Apartments

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
RCD Acquisitions Project Manager, Project Architect Project civil engineer	10%	Community outreach & obtain planning approvals and environmental clearance	Obtain discretionary approvals by December, 2017
RCD Acquisitions Project Manager	20%	Obtain predevelopment, construction and permanent funding	Apply for and receive additional predevelopment funds by July, 2017 In partnership with City and VTA, apply for AHSC funds in March 2018 and State HOME funds in July 2018

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: February 5, 2016
 Revisions _____
 Final Approval _____

Project Name: Sango Court Family Apartments

Approved Revisions _____

Project Coordinator: RCD Acquisitions Project Manager

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Conceptual design, site due diligence (phase I ESA, geotech, noise studies) and community outreach	X	X										
Submit project to planning department			X									
Address comments back from staff, design review and planning commission				X	X							
Design review/planning commission approval						X						

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Dan Hardy

Title: Acquisitions Project Manager

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Sango Court Family Apartments

Date: February 5, 2016

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel													
Travel													
Utilities													
Equip./Maintenance													
Dues & Subscriptions													
Accounting Services													
Contract Services (architecture, engineering, environmental)	20,000	20,000	20,000	20,000	20,000								
Insurance													
Conference													
Miscellaneous (option payments for site acquisition)	25,000					25,000							
TOTAL	45,000	20,000	20,000	20,000	20,000	25,000							150,000



Resources for Community Development

*Affordable
Housing
Reimagined*



Reimagine **RESOURCES**
reCreate **COMMUNITY**
reDefine **DEVELOPMENT**



For over 30 years **RCD** has been “creating and preserving affordable housing for those with the fewest options, to build community and enrich lives.”
And our work and standard of excellence continue.



We at Resources for Community Development (RCD) continue to look for opportunities to work together to reimagine, recreate, and redefine how to provide affordable homes so that the challenges of today are transformed into a better future for those with the fewest options.

RCD develops housing that creates community assets, enhances surrounding neighborhoods, and provides housing and amenities that also improve the quality of living for residents. Our vision is that housing choices in every community include quality homes for people who are low to moderate-income. Our passion brings people and resources together to create properties that benefit the whole community.

- Working in four Bay Area counties to build or acquire over 60 properties in 19 cities
- Over 2000 units, including 30 percent that serve households with special needs
- Housing choices from studios to four-bedroom apartments and first-time affordable homeownership
- Focusing on those with the fewest options with income from 20% to 60% of the Area Median Income

“We hold RCD in very high regard. We admire them for their deep and enduring commitment to serving some of the hardest to house populations in high quality affordable housing. We respect them for the savvy way they run the business side of things. And we enjoy working with them because they do what they say and say what they do. We consider ourselves lucky to have them as clients.”

ANNETTE BILLINGSLEY

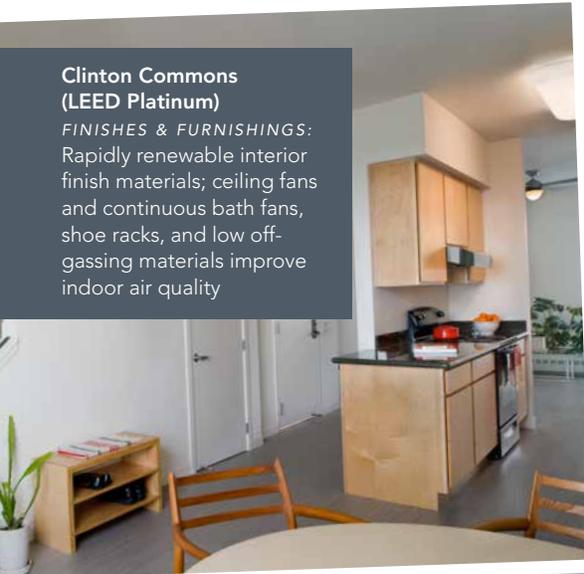
Senior Vice President, Division Head, Community Development Finance, Union Bank N.A.

Reimagine **RESOURCES**

Clinton Commons (LEED Platinum)

FINISHES & FURNISHINGS:

Rapidly renewable interior finish materials; ceiling fans and continuous bath fans, shoe racks, and low off-gassing materials improve indoor air quality



Sustainability means Stewardship

Sustainability means stewardship of natural resources to minimize the impact we have on the environment, from construction all the way through the life of the property. We build projects to LEED*, GreenPoint Rated**, and other standards to create high-quality housing that uses resources responsibly, minimizes waste and harm to the environment, and promotes health and well-being for the people who call an RCD property home. Green operations and maintenance programs continue this commitment throughout our portfolio.

“RCD has been a leader in building and operating sustainable and ‘green’ communities. They understand that affordable housing development includes not only construction but creating opportunities for low-income families to thrive. We are proud to be partners with RCD in promoting sustainable affordable housing.”

RICH GROSS, Senior Vice President, Enterprise

Los Medanos Village

RENEWABLE ENERGY GENERATION:

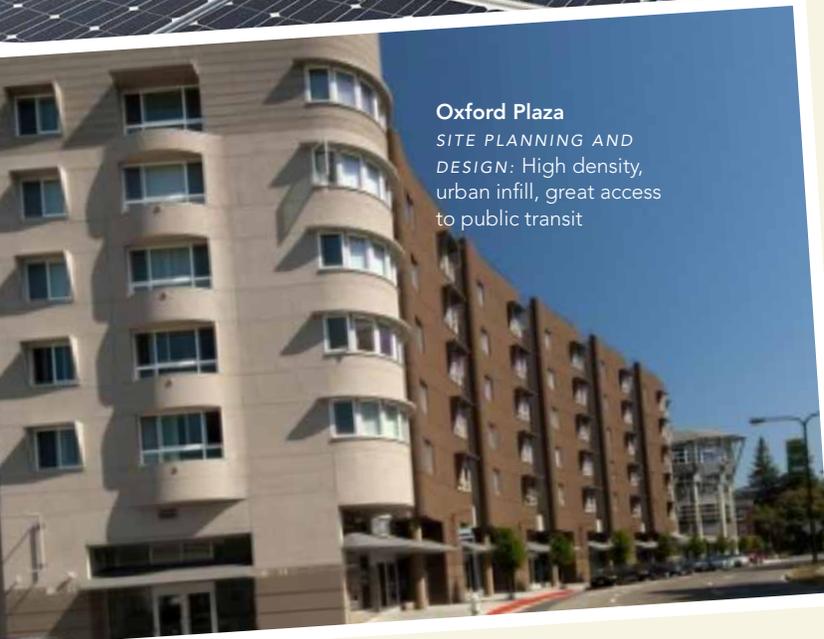
94.2 kW photovoltaic system reduces property power demand by nearly 60%



Oxford Plaza

SITE PLANNING AND

DESIGN: High density, urban infill, great access to public transit



Green Building Certifications

Clinton Commons, LEED Platinum, GreenPoint Rated
Shinsei Gardens, LEED Platinum, GreenPoint Rated
The Ambassador, GreenPoint Rated
The Arbors, GreenPoint Rated
Berrellesa Palms, Cal Green Certification
Erna P. Harris Court, GreenPoint Rated
Fox Courts, GreenPoint Rated
Los Medanos Village, GreenPoint Rated
Oxford Plaza, GreenPoint Rated
The Park Alameda, GreenPoint Rated
UA Homes, GreenPoint Rated

Pending:

1701 MLK, GreenPoint Rated
Ohlone Gardens, LEED Gold
UA Co-op Homes, GreenPoint Rated

* LEED is the most widely recognized and used green building program across the globe; awarded by the US Green Building Council, it guides the design, construction, operations and maintenance of buildings, homes and communities.

** GreenPoint Rated is a program of Build It Green, a non-profit organization dedicated to promoting green building in California.



What Makes It Green?

Shinsei Gardens: LEED-Platinum

No single feature makes a property "green." Building green is a commitment to environmental stewardship. It incorporates a variety of sustainable practices and features. Mostly, it is working collaboratively with all development partners and funders to build the greenest buildings possible. The benefits to residents and the community:

- Reduce construction waste going into the landfill
- Use durable, people and pet-friendly materials
- Provide long-term healthy indoor air quality
- Reduce greenhouse gases

Shinsei Gardens At-A-Glance

NEW CONSTRUCTION: Rental apartments, completed 2009, built on the former Alameda Naval Air Station, exceeds Title 24 by 29%

39 UNITS: For low-income families with a preference for homeless veterans

UNIVERSAL DESIGN: Throughout entire property

PLANNING & DESIGN (SITE): High density, urban infill development, walkable, bikeable, good access to public transit

BAY-FRIENDLY LANDSCAPING PRACTICES: Drought-tolerant landscaping, bioswales, high efficiency irrigation



FINISHES & FURNISHINGS: Low-VOC interior paints, wood coatings, adhesives, environmentally preferable flooring, linoleum, recycled-content carpet

SYSTEMS: Renewable energy generation (54kW photovoltaic system), hydronic radiant heating, healthy indoor air systems (EnergyStar fans and non-HCFC air conditioning in common areas), water-saving plumbing fixtures



STRUCTURE: 50% recycled fly ash or slag in concrete, 80% or more of lumber delivered pre-cut from suppliers

OPERATIONS & MAINTENANCE: Educational signage on green features, educational manuals for residents and green operations and maintenance manuals for maintenance staff

CONSTRUCTION WASTE REDUCTION: Over 90% construction waste diverted from landfills

QUALITY OF LIFE AND COMMUNITY BENEFITS: Affordability, accessibility, proximity to transportation and numerous amenities

"We are very pleased with our longstanding partnership with RCD. Developments like Breakers at Bayport, Shinsei Gardens and The Park Alameda show what a successful public/private partnership can accomplish to provide much needed, and sustainable, affordable housing to the community." **DEBBIE POTTER**, Housing Development & Programs Manager, City of Alameda Housing Authority

reCreate COMMUNITY

Resident Services

RCD's Resident Services Program is offered without cost to our residents and is designed to assist residents in maintaining and enhancing their self-sufficiency within a caring community.

In addition to RCD staff who provide direct support services, we have relationships with many community-based service providers who help us fulfill this goal. Together, we provide residents with case management, counseling and referral, job training and placement, health services, and leadership development, as well as after school enrichment programs and social activities.

"I cannot adequately express my appreciation for all of the professional planning, the many amenities and obvious just plain hard work that you all have expended to bring this project to fruition... thank you for touching mine and so many others' lives by giving us a home where we can be proud."

JOHN STEWART DAVIDSON, resident

"I don't know what I'd do without this place. My apartment opening onto an outdoor hallway really helps with my allergies. My friends can't believe this is affordable housing – it's so nice. We need a lot more of it." **KATTYE GILES, RCD Board Member, Resident and Community Volunteer**

Community Art Installations: Public art brings the work of local artists into the neighborhoods for everyone to enjoy.

FOX COURTS (LEFT): Eduardo Pineda and Joaquin Alejandro Newman

THE HARRISON HOTEL (RIGHT): Mural designed and painted by residents

SERVICES PARTNERS Help Extend RCD's Reach

ALAMEDA COUNTY

Abode Services, Bonita House, BOSS, Center for Elders' Independence, LifeLong Medical Care, Operation Dignity, ToolWorks

CONTRA COSTA COUNTY

Contra Costa Interfaith Housing, Jewish Family & Community Services, Monument Community Partnership

SOLANO COUNTY

Caminar





Asset Management

Committed to both physical and financial stability, the Asset Management Program ensures that our properties offer residents a great place to live, are a source of revitalization in their neighborhoods, and are excellent investments of public and private funding. The program includes financial and property management, green operations and maintenance, and facilitating the work of RCD's Resident Services Program.

PORTFOLIO AT A GLANCE:

- 50 communities
- 1,800 residential units
- 4,000 residents
- Alameda, Contra Costa, and Solano Counties

PROPERTY MANAGEMENT

The John Stewart Company delivers comprehensive and service-oriented residential property management to all RCD communities.

"Both The John Stewart Company and I have been supporters of RCD for years because it does an outstanding job of providing housing and services to people who really need them – we see the difference it makes in people's lives every day!"

JACK GARDNER, President and CEO, The John Stewart Company

reDefine DEVELOPMENT

Mixed-Use

OXFORD PLAZA, BERKELEY

- 97 units new construction
- Studios and 1, 2, 3, and 4 bedroom units
- Urban infill and smart growth project
- Four intense uses on a one-acre site: housing, commercial space, underground public/residential parking and The David Brower Center, an environmental center
- Sustainable affordable workforce and family housing with 10 special needs units

Multi-Family

LOS MEDANOS VILLAGE, PITTSBURG

- 71 units new construction
- 1, 2, and 3 bedroom units
- 5 units for emancipated foster youth
- Low fences, front porches, walkways blend with neighborhood
- Community gardens, children's play areas, outdoor patios

Transit-Oriented

FOX COURTS, OAKLAND

- 80 units new construction
- Located within one block of major transit linkages (BART and bus)
- On-site after-school and summer enrichment programs
- Public art installations by Oakland artists and students from Oakland School for the Arts
- Broadband internet service in each unit
- Part of Oakland's new Uptown District of over 600 market rate condos and apartments



"RCD is a highly professional and dedicated organization. They have a passion for affordable housing, and the perseverance it takes to succeed. The Ambassador is a great new project that reflects this."

PATRICK O'KEEFFE, City Manager, City of Emeryville

Senior Housing

VILLA VASCONCELLOS, WALNUT CREEK

- 70 units new construction
- On site resident services
- Multipurpose community room
- Two courtyards and community garden plots
- Computer learning center and broadband internet service in each unit
- Photovoltaic system for common area loads and solar thermal panels for water heating



Supportive Housing (Special Needs)

LAUREL GARDENS, FAIRFIELD

- 30 units new construction
- Co-developer, Caminar/CLC
- Independent living for individuals with disabilities
- Universal design and reachable controls for wheelchair users and physically disabled residents
- Computer lab and community room
- On-site supportive services



Rehabilitation/Renovation

ERNA P. HARRIS, BERKELEY

- 35 units major renovation
- Hydronic, radiant heating and Energy Star appliances
- Solar hot water pre-heat
- Drought tolerant and native plant selections introduced in landscaping
- 100% of storm water treated prior to entering the San Francisco Bay
- New community room, kitchen and computer lab
- On-site supportive resident services



*the expertise to guide complicated projects to completion,
We are very pleased with our partnership with RCD."*



Awards

ACTERRA

- Business Environmental Award 2010, Sustainably Built Projects – Shinsei Gardens, Fox Courts, Oxford Plaza

Affordable Housing Finance (AHF)

- Top 50 Affordable Housing Developers in U.S. – 2014, 2011, 2009, 2008, 2007
- Readers' Choice Award Finalist 2010, Urban Development – Fox Courts
- Readers' Choice Award Finalist 2009, Urban Development – Oxford Plaza

American Institute of Architects (AIA)

- East Bay Design Citation Award 2010 – Oxford Plaza
- East Bay Design Merit Award 2010 – Shinsei Gardens
- East Bay Design Merit Award 2008 – Margaret Breland Senior Homes

Association of Bay Area Governments (ABAG)

- Growing Smarter Together Award 2009, Urban Design – Oxford Plaza

California Redevelopment Association (CRA)

- Awards of Excellence 2011 – Fox Courts
- Award of Excellence 2008 – Bella Monte Apartments

Congress for New Urbanism (CNU)

- CNU Charter Award 2012 – Oxford Plaza and the David Brower Center

Home Depot Foundation

- Awards of Excellence 2010, Honorable Mention – Shinsei Gardens

League of California Cities

- Helen Putnam Award for Excellence 2008 – Laurel Gardens Apartments

National Association of Home Builders (NAHB)

- Platinum Award 2012, Mixed-Use Development – Oxford Plaza

National Association of Housing and Redevelopment Officials (NAHRO)

- Award of Excellence, Project Design, Renovation 2014 – The Park Alameda
- Award of Merit 2014 – The Park Alameda
- Award of Excellence for Design 2010 – Shinsei Gardens
- Award of Merit in Program Innovation 2007 – Breakers at Bayport Apartments and Townhomes

National Association of Local Housing Finance Agencies

- Home Excellence Award 2007 – Villa Vasconcellos

Pacific Coast Builders Conference (PCBC)

- Gold Nugget Award Green Communities 2010 – Fox Courts
- Gold Nugget Award Best Affordable Project 2008 – Margaret Breland Senior Homes

San Francisco Business Times

- Deals-of-the-Year 2010 Finalist, Best Affordable Residential Award – Oxford Plaza
- Deals-of-the-Year 2009 Finalist, Best Affordable Residential Award – Villa Vasconcellos

U.S. Department of Housing and Urban Development (HUD)

- HOME Door Knocker Award 2011 – Oxford Plaza

Reimagine, recreate, redefine...

The theme of “reimagining” continues to be appropriate in this season of affordable housing in California. The affordability challenges felt in communities everywhere for every type of housing are growing. Demographic changes are also increasing the number of seniors, people with special needs, and working people who won’t be able to afford market rate housing. We begin, though, to see a new commitment emerge after a period of uncertain funding in our state.

As we redefine the way we finance properties, RCD’s core programs - housing development, asset management, and resident services - continue to respond to the context of each community. Using appropriate design, quality materials and methods of construction, and providing ongoing professional management and resident services, we are able to provide a range of housing choices. We are proud to have 50 properties in our portfolio. We have been successful in cultivating creative solutions that have allowed RCD to continue to create and preserve more housing, yet we are motivated to find ways to have more impact because the need is so great.

As always, we have tremendous appreciation for our partners and supporters. We could not accomplish all that we do without you. We look forward to further opportunities to work together to re-imagine, re-create, and re-define how to provide more homes so that the challenges of today are transformed into a sustainable future for everyone.

Sincerely,



Dan Sawislak
Executive Director



“RCD has provided hundreds of critically needed affordable homes in Berkeley over the years. They have consistently met the challenge of building the most innovative developments for residents and special needs families. Their work includes the GreenPoint-rated Oxford Plaza and the LEED platinum David Brower Center. I am proud to have worked closely with RCD on the development of those innovative, highly green buildings. RCD has truly lived up to its name as a tremendous home-grown resource for community development in Berkeley.”

MAYOR TOM BATES, City of Berkeley





Affordable Housing Reimagined

2220 Oxford Street • Berkeley, CA 94704

WWW.RCDHOUSING.ORG



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Rebuilding Together Silicon Valley Date: February 2, 2016

Address: 1701 S. 7th Street, #10
Street Address *Suite Number*

San Jose CA 95112
City *State* *ZIP Code*

Phone: 408-578-9519 Email: bev@rebuildingtogethersv.org

Executive Director: Beverley Jackson

Project Manager (PM): Beverley Jackson

PM's Phone: 408-578-9519 X1002 PM's Email: bev@rebuildingtogethersv.org

DUNS #: 017547055

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission: Bringing volunteers and communities together to improve the homes and lives of low-income homeowners in need.

Section B: Funding Request

Total funding requested for this project	\$76,320.
Total cost of project	\$98,290.
Other funds leverage for project i.e. Private Donations (estimation)	\$21,970.
Other funds not secured by project	\$
Are you getting County assistance, if so, please list	County funding received does not cover Milpitas residents or Milpitas service area.

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Our program is effective in leveraging funds with volunteer labor and materials purchased in quantity and deeply discounted. Rebuilding Together will obtain matching community funding for projects through grants from foundations, community groups and corporate sponsorships. The total cost of the project and value of funds leveraged does not account for the complete value of skilled and volunteer labor contributed to each project. Last year, over 1,400 volunteers contributed donated labor valued at \$ 518,366. to RT home repair projects. Rebuilding Together will help as many residents as funding allows. In previous years, when increased funding was provided, we were able to assist additional residents than the current year.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

2015: \$49,610. 2014: \$103,707. 2013: \$39,222. 2012: \$64,444. 2011: \$40,000. 2010: \$43,144.
2009: \$20,000. 2008: \$10,000.

Section C: Project Eligibility

Targeted Clientele: Low to Moderate (below 80% of AMI) income, Milpitas homeowners

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

Rebuilding Together will preserve and maintain affordable housing and provide a safe and secure living environment for 25 low-income households by providing safety, energy efficiency, accessibility and mobility repairs and improvements for very-low income homeowners in Milpitas. The project purpose is to improve the quality of life of low-income, aging and/or physically challenged adults/families by providing a suitable living environment through focused home repairs.

Milpitas residents who live on a fixed income may be less able to afford little beyond the most basic needs. On fixed incomes, even necessary expenses such as prescription medications can be difficult to afford while other important expenses, such as repairs to a leaking roof, failed water heater, or installation of grab bars, may be near impossible for low-income homeowners to afford. Our project strengthens the resiliency of low-income homeowners and the neighborhoods in which they live.

Repair work is completed at no charge to the client and can be on any type of owner occupied housing unit, such as a mobile home, condo, or single family house. The average RT client is 69 years of age and has lived in their home for over 23 years.

The primary consideration of repairs in the homes will be the correction of safety hazards to ensure affordable, decent living environment for the occupants. Work can include the following activities: accessibility modifications including wheelchair ramps/lifts, grab bars and hand rails, improved lighting installations, tub cut outs, door handle and faucet replacements for accessibility. Energy efficiency improvements, such as weather-stripping, appliance replacements/repairs, vent cleaning, CFL replacements & window repairs. Other home repair and rehabilitation work can include electrical repairs, roof repairs and replacements, interior and exterior painting, yard cleanup, plumbing repairs, and bathroom modification, flooring repairs and replacements, heating installation and repair, indoor and outdoor lighting and fences for safety, doors, steps, entryways (tripping hazards), replacement and/or repair of windows, doors, locks, and fire safety; smoke & CO alarms.

The Safe At Home program also completes critical and urgent repairs such as water heater replacements, heating restorations, plumbing repairs and roofing repairs/replacement utilizing independent skilled trade contractors and Rebuilding Together Repair Technician(s).

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

- Abused children
- Elderly persons 62 years or older
- Battered persons
- Severely disabled adults (not children) as defined by the Census
- Illiterate adults
- Persons living with HIV/AIDS
- Migrant farm workers
- Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

- (3) Housing (select from the options below):
- Single Family (must be 100% LMI)
 - Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	25	40	40
2. Cost Per Client Annually	\$1950.	\$1908.	
3. How many are low- and very-low income?	25/100%	40/100%	
4. Will the proposed assistance result in increase in clients? State projected number.		Yes - 15	
5. What is the total number of unduplicated clients/households to be served?	25 clients/18 households in Milpitas. 476 clients/280 households Santa Clara County wide.	405 clients/25 households in Milpitas. 510 clients/300 households Santa Clara County wide.	7 – 8% of total clients/households served

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Materials and construction project supplies, staff support/salaries, warehouse and utility costs, outreach costs and insurance.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Homeowners submit an application requesting repair work. Applications information includes age and income for all household members. Prior to work completion clients submit verification of income for all members. Such as, paystubs, SSI verification, bank statements or previous year tax returns, and proof of ownership of the home.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

We do outreach with senior service providers, in home care providers, code enforcement, ads in the Milpitas Post, local faith communities and the local public access TV channel. Our outreach brochure is translated into Spanish, Vietnamese and Chinese.

Section E: Disclaimer and Signature

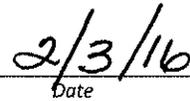
Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.


Signature of Executive Officer


Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Rebuilding Safety Home Repairs and Accessibility Modifications

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	12,000.	3,600	15,600	Grants/Sponsors/donations
Benefits		2340	2340	Grants/Sponsors/donations
Rent	3,900	400.	4,300	Grants/Sponsors/donations
Utilities	300	200.	500	Grants/Sponsors/donations
Postage	100	100	200	Grants/Sponsors/donations
Printing & Outreach	200	200	400	Grants/Sponsors/donations
Materials & Supplies	53,320.	9,800	63120	Grants/Sponsors/ Material donations
Telephone & Internet		200	200	Grants/Sponsors/donations
Office Equipment & Supplies		300	300	Grants/Sponsors/donations
Mileage/Vehicle Operation & Maintenance	300	500	800	Grants/Sponsors/donations
Dues & Subscriptions		500	500	Grants/Sponsors/donations
Audit (CDBG Portion)	500	500	1000	Grants/Sponsors/donations
Contract Services	4500	1,500	6000	Sponsor inkind /Volunteer labor
Insurance	1200	300	1500	Grants/Sponsors/donations
Volunteer Supplies & Support		1530.	1530.	Grants/Sponsors/donations
TOTAL	\$76,320.	\$21,970.	\$98,290.	

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Rebuilding Safety Home Repairs and Accessibility Modifications

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Client Services Manager	10%	Client Intake, phone screening, processing, program eligibility review, documentation collection and coordinating client communications.	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 40 Milpitas residents/25 households annually.
Program Manager	5%	Coordinates all community revitalization repair days, project selection, logistics, training, building trade's coordination, and final client application approval.	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 40 Milpitas residents/25 households annually.
Executive Director	7%	Oversight of operations, manages all aspects of the agency programs and operations and is authorized to submit and execute all contracts and applications on behalf of the organization.	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 40 Milpitas residents/25 households annually.
Client Outreach Coordinator	10%	Provides all outreach to ensure underserved populations are aware of services and have access to the program	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 40 Milpitas residents/25 households annually.
Construction Service Manager	5%	Provides home inspections and assessments of repair needs and determination of level of repairs and scope of work, vendor review and procurement, review of work scopes and scheduling and supervision of Repair Technicians	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 40 Milpitas residents/25 households annually.
Repair Technicians	As needed to provide safety and accessibility repairs for Milpitas homeowners	Complete safety, accessibility and mobility Repairs	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 40 Milpitas residents/25 households annually.

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: 2/3/16
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Rebuilding Safety Home Repairs and Accessibility Modifications

Project Coordinator: Beverley Jackson

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Client outreach, intake, and application processing.	x	x	x	x	x	x	x	x	x	x	x	x
Home inspection, assessment of repair needs. Project approval and work scope creation.	x	x	x	x	x	x	x	x	x	x	x	x
Completion of safety, energy efficiency, mobility/accessibility and urgent critical repairs (Safe At Home)	x	x	x	x	x	x	x	x	x	x	x	x
Completion of Rebuilding Day projects (community revitalization projects, including painting, yard clean up and debris removal)				x						x		

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Beverley Jackson Title Executive Director

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Rebuilding Safety Home Repairs and Accessibility Modifications

Date: 2/3/16

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600.
Benefits	195.	195.	195.	195.	195.	195.	195.	195.	195.	195.	195.	195.	2,340.
Rent	390.	390.	390.	390	390	390	390	390	390	390	390	10.	4,300.
Utilities			125.			125.			125.			125.	500.
Postage			50.			50.			50.			50.	200.
Printing & Outreach			100.			100.			100.			100.	400.
Materials & Supplies	5000.	5000.	5000.	7500	6024	6024	6024	6024	6024	7500	1500	1500	63,120.
Telephone & Internet			50.			50.			50.			50.	200.
Office Equip & Supplies			75.			75.			75.			75.	300.
Mileage/Vehicle operation & Maintenance	80.	80.	80.	80.	80.	80.	80.	80.	80.	80.	80.	80.	800.
Dues & Subscriptions			250.			250.							500.
Audit (CDBG Portion)			500.			500.							1,000.
Contract Services	300.	300.	300.	1,500	300.	300.	300.	300.	300.	1,500	300.	300.	6,000.
Insurance						1500.							1,500.
Volunteer Supplies/Support				765.						765.			1,530.
TOTAL	7265.	7265.	8415.	11,730.	8,289.	10,939.	8,289.	8,289.	8,689.	11,730.	3,765.	4,165.	\$98,290.



RE: Signing Authority

It was moved and seconded (Operations Committee) that the Board of Directors of Rebuilding Together Silicon Valley endorse the submitting of all CDBG and other grant applications in all appropriate jurisdictions and authorize Beverley Jackson, Executive Director to sign, execute and draw down on funds on behalf of the organization.

It was further moved and seconded (Operations Committee) that the Board of Directors of Rebuilding Together Silicon Valley, authorize Dawn Hogh, Board Chair to sign, execute and draw down on CDBG grant funds on behalf of the organization.

 Joselle Kryder
Joselle Kryder, Secretary

 12-16-15
December 16, 2015

Rebuilding Together Silicon Valley
(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Year Ended July 31, 2015 with Comparative Totals
For the Year Ended July 31, 2014

REBUILDING TOGETHER SILICON VALLEY
(A California Nonprofit Public Benefit Corporation)

TABLE OF CONTENTS

	<u>Page</u>
I. FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	3-4
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES	6
STATEMENT OF FUNCTIONAL EXPENSES - 2015	7
STATEMENT OF FUNCTIONAL EXPENSES - 2014	8
STATEMENT OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS	10
II. SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	17
Notes to Schedule of Expenditures of Federal Awards	18
III. REPORTS	
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 <i>Government Auditing Standards</i>	19-20
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	21-23
IV. SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
Schedule of Findings and Questioned Costs	24



Boman Accounting Group, Inc.
INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rebuilding Together Silicon Valley
(A California Nonprofit Public Benefit Corporation)
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of Rebuilding Together Silicon Valley (a California nonprofit public benefit corporation), which comprise the statement of financial position as of July 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rebuilding Together Silicon Valley, as of July 31, 2015 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Rebuilding Together Silicon Valley' 2014 financial statements, and our report dated December 2, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Supplementary 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 Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 November 2, 2015, on our consideration of Rebuilding Together Silicon Valley'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 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 Rebuilding Together Silicon Valley's internal control over financial reporting and compliance.

Boman Accounting Group, Inc.
Campbell, California
November 2, 2015

REBUILDING TOGETHER SILICON VALLEY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION

July 31, 2015
(With Comparative Totals for 2014)

	2015	2014
ASSETS		
Current assets		
Cash and equivalents	\$ 529,507	\$ 439,491
Investments	313,997	304,900
Contribution and grant receivable	37,758	58,636
Prepaid expenses	10,686	31,275
Building supplies inventory	25,443	24,895
Total current assets	917,391	859,197
Fixed assets		
Property and equipment - net	36,928	64,718
Other assets		
Deposits	4,464	4,464
Total Assets	\$ 958,783	\$ 928,379
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 34,018	\$ 24,895
Accrued liabilities	54,421	52,527
Deferred rent	13,389	13,480
Deferred support, restricted	18,845	6,250
Total current liabilities	120,673	97,152
Total liabilities	120,673	97,152
Net assets		
Unrestricted net assets	806,110	816,691
Temporarily restricted net assets	32,000	14,536
Total net assets	838,110	831,227
Total Liabilities and Net Assets	\$ 958,783	\$ 928,379

The accompanying notes are an integral part of these financial statements

REBUILDING TOGETHER SILICON VALLEY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended July 31, 2015 and 2014

	Year Ended July 31, 2015			Year Ended July 31, 2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support						
Contributions and net revenue						
Sponsorship	\$ 204,145	32,000	236,145	\$ 177,417	12,750	190,167
Non-sponsorship	796,716		796,716	696,811		696,811
In-kind donations	118,572		118,572	128,586		128,586
Contributions	73,921		73,921	67,393		67,393
Special event (net of direct expenses of \$32,374 and \$35,080)	19,698		19,698	25,765		25,765
Investment income	9,761		9,761	9,746		9,746
Loss on disposal of assets	-		-	(10,535)		(10,535)
Other Income	52		52	1,287		1,287
	<u>1,222,865</u>	<u>32,000</u>	<u>1,254,865</u>	<u>1,096,470</u>	<u>12,750</u>	<u>1,109,220</u>
Net assets released from restriction	<u>14,536</u>	<u>(14,536)</u>	<u>-</u>	<u>46,428</u>	<u>(46,428)</u>	<u>-</u>
Total revenues, gains and other support	1,237,401	17,464	1,254,865	1,142,898	(33,678)	1,109,220
Expenses						
Program Services	1,061,248		1,061,248	1,027,250		1,027,250
Supporting Services:						
Management and general	92,377		92,377	95,319		95,319
Fundraising	94,357		94,357	40,893		40,893
Total expenses	<u>1,247,982</u>	<u>-</u>	<u>1,247,982</u>	<u>1,163,462</u>	<u>-</u>	<u>1,163,462</u>
Change in net assets	(10,581)	17,464	6,883	(20,564)	(33,678)	(54,242)
Net assets at beginning of year	<u>816,691</u>	<u>14,536</u>	<u>831,227</u>	<u>837,255</u>	<u>48,214</u>	<u>885,469</u>
Net assets at end of year	<u>\$ 806,110</u>	<u>\$ 32,000</u>	<u>\$ 838,110</u>	<u>\$ 816,691</u>	<u>\$ 14,536</u>	<u>\$ 831,227</u>

The accompanying notes are an integral part of these financial statements

REBUILDING TOGETHER SILICON VALLEY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended July 31, 2015

	Program Services	Supporting Services			
	Home and Facility Repairs	Management and General	Fundraising	Total	2015 Total Expenses
Expenses:					
Salaries and wages	\$ 311,251	56,216	71,402	\$ 127,618	\$ 438,869
Payroll taxes and benefits	64,313	8,807	12,664	21,471	85,784
 Total salaries and related expenses	 375,564	 65,023	 84,066	 149,089	 524,653
 Program materials & supplies	 446,856	 -	 -	 -	 446,856
In-kind materials	18,518	-	-	-	18,518
In-kind labor	50,560	-	-	-	50,560
Equipment rental & purchase	1,097	-	-	-	1,097
Volunteer program	19,785	-	-	-	19,785
Rent & facility expenses	59,699	3,316	3,317	6,633	66,332
Insurance	17,830	2,120	761	2,881	20,711
Office, printing & related costs	12,210	4,215	1,740	5,955	18,165
Fundraising & marketing	5,165	2,835	1,771	4,606	9,771
Professional fees	11,175	14,619	2,615	17,234	28,409
Training	5,635	87	87	174	5,809
Travel	8,165	-	-	-	8,165
Miscellaneous	-	162	-	162	162
 Total expenses before depreciation	 1,032,259	 92,377	 94,357	 186,734	 1,218,993
Depreciation & amortization	28,989	-	-	-	28,989
Total expenses	\$ 1,061,248	\$ 92,377	\$ 94,357	\$ 186,734	\$ 1,247,982
 Percentage of total	 85.04%	 7.40%	 7.56%	 14.96%	 100.00%

The accompanying notes are an integral part of these financial statements

REBUILDING TOGETHER SILICON VALLEY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended July 31, 2014

	Program Services	Supporting Services			2014 Total Expenses
	Home and Facility Repairs	Management and General	Fundraising	Total	
Expenses:					
Salaries and wages	\$ 310,031	48,710	24,768	\$ 73,478	\$ 383,509
Payroll taxes and benefits	60,799	6,092	4,739	10,831	71,630
Total salaries and related expenses	370,830	54,802	29,507	84,309	455,139
Program materials & supplies	415,096	-	-	-	415,096
In-kind materials	8,873	-	-	-	8,873
In-kind labor	71,303	-	-	-	71,303
Equipment rental & purchase	1,969	-	-	-	1,969
Volunteer program	17,779	-	-	-	17,779
Rent & facility expenses	58,475	7,844	4,992	12,836	71,311
Insurance	14,146	1,848	573	2,421	16,567
Office, printing & related costs	8,069	6,930	2,365	9,295	17,364
Fundraising & marketing	1,950	102	542	644	2,594
Professional fees	13,762	16,315	2,809	19,124	32,886
Training	1,240	105	105	210	1,450
Travel	10,099	-	-	-	10,099
Miscellaneous	-	200	-	200	200
Total expenses before depreciation	993,591	88,146	40,893	129,039	1,122,630
Depreciation & amortization	33,659	7,173	-	7,173	40,832
Total expenses	\$ 1,027,250	\$ 95,319	\$ 40,893	\$ 136,212	\$ 1,163,462
Percentage of total	<u>88.29%</u>	<u>8.19%</u>	<u>3.51%</u>	<u>11.71%</u>	<u>100.00%</u>

The accompanying notes are an integral part of these financial statements

REBUILDING TOGETHER SILICON VALLEY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF CASH FLOWS

Year Ended July 31, 2015
(With Comparative Totals for 2014)

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 6,883	\$ (54,242)
Noncash items included in revenues and expenses:		
Depreciation	28,989	40,832
Loss on disposal of fixed assets	3,317	10,535
Donated stocks	-	-
Net realized and unrealized (gains) losses on investments	(9,097)	(5,881)
Increase (decrease) in cash resulting from changes in:		
Accounts receivable	20,878	34,010
Building supplies inventory	(548)	1,519
Prepaid expenses	20,589	(16,383)
Deposits	-	2,536
Accounts payable	9,123	10,022
Deferred rent	(91)	13,480
Deferred support, restricted	12,595	2,900
Accrued liabilities	1,894	11,028
Net cash provided by (used in) operating activities	94,532	50,356
Cash flows from investing activities:		
Purchase of investments	-	(242,466)
Investment expenses	-	2,014
Purchase of property and equipment	(4,516)	(31,893)
Net cash provided by (used in) investing activities	(4,516)	(272,345)
Cash flows from financing activities:		
Net cash provided by (used in) financing activities	-	-
Net change in cash and cash equivalents	90,016	(221,989)
Beginning cash and cash equivalents	439,491	661,480
Ending cash and cash equivalents	\$ 529,507	\$ 439,491

The accompanying notes are an integral part of these statements

REBUILDING TOGETHER SILICON VALLEY
(A California Non-profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

Rebuilding Together Silicon Valley (the "Organization") believes that everyone deserves to live in a safe and healthy home. For over 24 years, Rebuilding Together Silicon Valley has transformed homes and lives by repairing and rebuilding homes and community facilities to improve the homes and lives of low – income homeowners in need.

Annually, more than 1,400 volunteers complete safety and accessibility repairs and improvements, enabling residents to live in warmth, safety and independence. All work is provided at no cost to the owner, with materials provided through donations and funds from area businesses, organizations, faith communities and private individuals. Since inception, over 31,348 local volunteers have renovated over 2,627 homes and non-profit community facilities in the Silicon Valley community. The impact extends beyond the individuals served to revitalize and stabilize vulnerable neighborhoods in the community.

2. Basis of Accounting

The accompanying financial statements for the Organization have been prepared on the accrual basis of accounting.

3. Basis of Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations. The Organization has elected to report as an increase in unrestricted net assets any restricted support received in the current reporting period for which the restrictions have been met in the current reporting period.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

REBUILDING TOGETHER SILICON VALLEY
(A California Non-profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

5. 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.

6. Contribution and Grant Receivable

The Organization considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

7. Inventory

Building supplies inventory consists of materials purchased and received for repair and rebuilding projects and is stated at the lower of cost or market.

8. Property and Equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over \$500 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets which range from 3 to 5 years. Depreciation is charged to the activity benefiting from the use of the property or equipment. During fiscal year ended July 31, 2013, the Organization changed the capitalization policy to expense wheelchair lifts and ramps as a program expense when purchased instead of a capitalized item.

9. Accrued Vacation

Accrued vacation represents vacation earned but not taken as of July 31, 2015 and 2014 and is included in "accrued liabilities" in the statement of financial position. The accrued vacation balances as of July 31, 2015 and 2014 was \$32,287 and \$34,332, respectively.

REBUILDING TOGETHER SILICON VALLEY
(A California Non-profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Revenue Recognition

Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

11. Contributions In-Kind

The Organization records donated equipment and other donated goods at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered.

12. Expense Allocation

The costs of providing the 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. Indirect functional expenses are allocated to program and supporting services based on an analysis of personnel time and space utilized.

13. Income Taxes

Rebuilding Together Silicon Valley is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

REBUILDING TOGETHER SILICON VALLEY
(A California Non-profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Organization's federal returns for the years ended July 31, 2014, 2013, and 2012 could be subject to examination by federal taxing authorities, generally for three years after they are filed. The Organization's state returns for the years ended July 31, 2014, 2013, 2012, and 2011 could be subject to examination by state taxing authorities, generally for four years after they are filed.

14. Advertising

The Organization's policy is to expense advertising costs as the costs are incurred. Advertising expenses for the year ended July 31, 2015 was \$-0-.

15. Subsequent Events

Management of the Organization has evaluated events and transactions subsequent to July 31, 2015 for potential recognition or disclosure in the financial statements. The Organization did not have subsequent events that required recognition or disclosure in the financial statements for the fiscal year ended July 31, 2015. Subsequent events have been evaluated through November 2, 2015, the date the financial statements became available to be issued.

16. Fair Value Measurements

Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Accounting standards set a framework for measuring fair value using a three tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical securities.

Level 2: Inputs other than quoted prices for identical assets or liabilities that are observable in the marketplace. For example, Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates and yield curves, volatilities, loss severities, credit risks, and default rate).

Level 3: Inputs that are not observable in the market and reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

REBUILDING TOGETHER SILICON VALLEY
(A California Non-profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE B — INVESTMENTS

The Organization maintains an investment account at Morgan Stanley, which consists of equity securities of various companies. The securities are adjusted to fair market value as of the close of the fiscal year and the difference in market value from one year to the next is recorded as unrealized gain or loss in the statement of activities.

NOTE C — FAIR VALUE MEASUREMENTS

The table below presents the assets measured at fair values at July 31, 2015 on a recurring basis.

	Total	Level 1
Investments		
Equity securities	\$ 313,997	\$ 304,900
Total assets measured at fair value	\$ 313,997	\$ 304,900

The Level 1 assets consist of equity securities held with Morgan Stanley. The valuation method for these assets is described in Note A16.

NOTE D — PROPERTY AND EQUIPMENT

The cost and related accumulated depreciation of the property and equipment consisted of the following as of:

	2015	2014
Equipment	\$ 68,671	\$ 70,835
Ramps/Lifts	3,782	124,549
Software	21,519	21,519
Leasehold Improvements	22,142	-
	116,114	239,045
Less Accumulated Depreciation	(79,186)	(174,327)
Net Property and Equipment	\$ 36,928	\$ 64,718

Depreciation expense for the year ended July 31, 2015 was \$28,989.

REBUILDING TOGETHER SILICON VALLEY
(A California Non-profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE E -- TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of July 31, 2015 and 2014 consisted of:

	2015	2014
Program:		
Fall Rebuilding Projects	\$ 32,000	\$ 14,536
Total Temporarily Restricted Net Assets	\$ 32,000	\$ 14,536

NOTE F— CONCENTRATIONS OF CREDIT RISK

The Organization typically maintains cash and cash equivalents and temporary investments in local banks which may, at times, exceed the Federal Deposit Insurance Corporation's limits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk. The Organization has not experienced any losses on its cash and cash equivalents.

NOTE G — DONATED SERVICES AND MATERIALS

1. The Organization received donated services from a variety of unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the year ended July 31, 2015, these volunteers donated approximately 17,410 hours with an estimated value of \$467,806. This value was computed using an hourly rate of \$26.87. This amount is based upon the average hourly earnings of volunteer time as determined by the Independent Sector.
2. The Organization also received donated services and material which were recorded at market value as follows:

	2015
Donated items for fundraising event	\$ 22,152
Donated materials and equipment	45,860
Donated labor (professional)	50,560
Total	\$ 118,572

REBUILDING TOGETHER SILICON VALLEY
(A California Non-profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE H — COMMITMENTS

The Organization is an affiliate of Rebuilding Together. Under the Affiliate Partnership Agreement, Rebuilding Together Silicon Valley is required to contribute an established percentage of its annual monetary income each year to the national organization as a dues for affiliation. The dues fee for the year ended July 31, 2015 was \$10,875.

NOTE I – OPERATING LEASE

The Organization leases commercial space for operations and storage use. The lease began February 1, 2009 and expired January 31, 2014. On January 10, 2014 the organization moved and entered a new lease, term beginning February 1, 2014 and ending April 30, 2019 with an option to extend for an additional 60 months available when the term expires.

Future annual minimum lease payments under the lease agreements are approximately as follows:

Year ending July 31:

2016	55,049
2017	56,701
2018	58,402
2019	44,779
	<u>\$ 214,931</u>

NOTE J – RETIREMENT PLAN

The Organization has a 403(b) profit sharing plan that covers all eligible employees. Each participant may elect to contribute up to the maximum limit by federal law. The Organization made no contributions to the plan.

REBUILDING TOGETHER SILICON VALLEY
(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended July 31, 2015

Federal Grantor Pass-Through Grantor Program Title/Grant Number	Federal CFDA #	Pass-Through Grantor's Number/Grant Number	Federal Expenditures
<u>MAJOR PROGRAMS</u>			
Department of Housing and Urban Development			
City of San Jose Rebuilding Housing Repair 7/1/2014–6/30/2015	14.218		\$ 482,708
Rebuilding Housing Repair 7/1/2015 – 6/30/2016	14.218		27,021
County of Santa Clara Rebuilding Housing Repair 7/1/2014 – 6/30/2015	14.218		82,384
Rebuilding Housing Repair 7/1/2015 – 6/30/2016	14.218		5,105
City of Cupertino Rebuilding Housing Repair & Rehabilitation Program 7/1/2014 – 6/30/2015	14.218		30,630
Rebuilding Housing Repair & Rehabilitation Program 7/1/2015 – 6/30/2016	14.218		994
City of Milpitas Rebuilding Housing Repair 7/1/2014 – 6/30/2015	14.218		92,177
Rebuilding Housing Repair 7/1/2015 – 6/30/2016	14.218		4,072
Total Department of Housing and Urban Development			725,091
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 725,091

See accompanying notes to schedule of expenditures of federal awards

REBUILDING TOGETHER SILICON VALLEY
(A California Nonprofit Public Benefit Corporation)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Rebuilding Together Silicon Valley under programs of the federal government for the year ended July 31, 2014. The information in this Schedule is presented in accordance with the requirements of OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Rebuilding Together Silicon Valley, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Rebuilding Together Silicon Valley.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



Boman Accounting Group, 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*

Board of Directors
Rebuilding Together Silicon Valley
(A California Nonprofit Public Benefit Corporation)
San Jose, 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 Rebuilding Together Silicon Valley (a California Nonprofit Public Benefit Corporation), which comprise the statement of financial position as of July 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rebuilding Together Silicon Valley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rebuilding Together Silicon Valley'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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rebuilding Together Silicon Valley'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*.

We noted certain matters that we reported to management of Rebuilding Together Silicon Valley in a separate letter dated November 2, 2015.

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.

Boman Accounting Group, Inc.
Campbell, California
November 2, 2015



Boman Accounting Group, Inc.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
Rebuilding Together Silicon Valley
(A California Nonprofit Public Benefit Corporation)
San Jose, California

Report on Compliance for Each Major Federal Program

We have audited Rebuilding Together Silicon Valley's (A California Nonprofit Public Benefit Corporation) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Rebuilding Together Silicon Valley's major federal programs for the year ended July 31, 2015. Rebuilding Together Silicon Valley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Rebuilding Together Silicon Valley'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Rebuilding Together Silicon Valley'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 Rebuilding Together Silicon Valley's compliance.

Opinion on Each Major Federal Program

In our opinion, Rebuilding Together Silicon Valley 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 July 31, 2015.

Other Matters

The results of our auditing procedures disclosed instances of non-compliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-1. Our opinion of the major federal program is not modified with respect to these matters.

Rebuilding Together Silicon Valley's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Rebuilding Together Silicon Valley'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 Rebuilding Together Silicon Valley 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 Rebuilding Together Silicon Valley'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 OMB Circular A-133, 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 Rebuilding Together Silicon Valley'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. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-1.

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Boman Accounting Group, Inc.
Campbell, California
November 2, 2015

REBUILDING TOGETHER SILICON VALLEY
(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Year Ended July 31, 2015

Section I
Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
- Material weaknesses identified?	None
- Significant deficiencies identified that are not considered to be material weaknesses?	None
Noncompliance material to financial statements noted?	None

Federal Awards

Internal control over major programs:	
- Material weaknesses identified?	None
- Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	None
Identification of major programs:	
Community Development Block Grant	
Housing Repair and Rehabilitation	CFDA 14.218
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II
Financial Statement Findings

None.

REBUILDING TOGETHER SILICON VALLEY
(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Year Ended July 31, 2015

**Federal Award Findings and Questioned Costs – Major Federal Award Programs
Audit:**

U.S. Department of Housing and Urban Development
Name of Program – Rebuilding Housing Repair
CFDA No. 14.235
Grant Period 7/1/2014 to 6/30/2015

Item 2014-1 – Expense reimbursement documentation

Condition

During our audit, we noted that Rebuilding Together Silicon Valley had a formula error in the worksheet that they use to submit for reimbursement of federal funds.

Criteria

An effective internal control system includes adequate procedures to ensure that Rebuilding Together Silicon Valley does not submit reimbursement requests with incorrect amounts.

Effect

For the purpose of the reimbursement request, there were two instances where the wrong amounts were submitted for reimbursement.

Cause

The electronic worksheet that was used to submit for reimbursement contained a formula error which caused the wrong amount to be reimbursed.

Context

We reviewed 12 months of expense reimbursements for each federal award and noted that there were 2 instances where a formula error caused the incorrect amount of expenditures to be reported for reimbursement. The total amount of the error was \$1,036.63.

Recommendation

We recommend that Rebuilding Together Silicon Valley review the worksheet that is used for the expense reimbursement reporting for mathematical accuracy prior to submitting to the governmental agency for reimbursement.

Management's Response:

Management agrees with the recommendation to review the worksheet for accuracy prior to submission for reimbursement.



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Senior Adults Legal Assistance (SALA) Date: February 3, 2016

Address: 160 E. Virginia Street Suite 260
Street Address *Suite Number*

San Jose CA 95112
City *State* *ZIP Code*

Phone: (408) 295-5991 Email: gbacil@sala.org

Executive Director: Georgia Bacil, Directing Attorney

Project Manager (PM): Georgia Bacil, Directing Attorney

PM's Phone: (409) 295-5991 PM's Email: gbacil@sala.org

DUNS #: 787102094

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

SALA's mission is to support Santa Clara County elders (persons age 60 or older) in their efforts to live safely, independently, non-institutionalized., and with dignity and choice.

Section B: Funding Request

Total funding requested for this project	\$ 5,110.00
Total cost of project	\$ 20,110.00
Other funds leverage for project i.e. Private Donations (estimation)	\$ 15,000.00
Other funds not secured by project	\$ 0.00
Are you getting County assistance, if so, please list	\$ 1,000.00*

**This represents the pro-rated portion of a County Unmet Civil Legal Services Program (UCLP) grant that is cost allocated to support our Legal Assistance to Elders program in Milpitas.*

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

In addition to Milpitas CDBG, SALA allocates a pro-rated portion of our countywide funding/resources from these leveraged sources for our Milpitas project: Title III of the Older Americans Act (disseminated by the Area Agency on Aging), the County of Santa Clara, Silicon Valley Campaign for Legal Services, and SALA fundraising activities. SALA also leverages pro bono support from volunteer legal workers (attorneys and paralegals) supervised by our attorney staff to help us serve Milpitas. The Older Americans Act, SALA's primary funder, prohibits SALA from charging fees or accepting fee generating cases. The only way SALA can support our services countywide and in Milpitas is through government grants and private sources. United Way does not support services targeted to seniors anymore, so there is no other funding for this project other than the resources above.

SALA currently receives \$5,109.81 from Milpitas CDBG to support this project, which is used to support SALA's services only to Milpitas residents. SALA also receives CDBG funds from Mountain View, Santa Clara, San Jose, and the County (for Campbell, Morgan Hill, and Saratoga), but this funding is also restricted for services to seniors residing in each city for which funding is received and cannot be used for Milpitas seniors. Therefore, if less than full funding is received for 2016-17 our current service levels in Milpitas will be reduced proportionately. If no Milpitas funding is received, SALA's services at Barbara Lee Center will be reduced to every other month or could be eliminated if our leveraged funding for Milpitas is also reduced or lost.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Yes. SALA has received the following amounts from Milpitas CDBG: \$2,000 (1995-96 and 1996-97); \$5,000 (1997-98 to 2001-2002); \$5,278 (2002-2003); \$5,000 (2003-2004); \$5,033 (2004-05); \$5,000 (2005-06 to 2014-15); and \$5,109.81 (2015-16). SALA also receives CDBG funding from Mountain View, Santa Clara, San Jose, and the Urban County (for Campbell, Morgan Hill, and Saratoga), but this funding is restricted to support our services to seniors residing in each jurisdiction where funding is received.

Section C: Project Eligibility

Targeted Clientele: Milpitas seniors (age 60 or older) targeting clients that are low income or at risk of abuse, isolation, conservatorship, or premature institutionalization (e.g., age 75 +, living alone, disabled)

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

SALA is a non-profit law office providing free Legal Assistance (**Legal Services and Community Education/Outreach**) to Milpitas seniors (age 60 or older), targeting clients that are low income or at risk. SALA requests \$5,110 (our current funding is \$5,109.81) to continue our current program of free **Legal Services** to Milpitas seniors. SALA will also make one **Community Education/Outreach** presentation in Milpitas. The project aligns with CDBG national objectives by providing a Public Service benefiting persons of lower incomes, specifically the Elderly (a presumed Limited Clientele). SALA's statistics for Milpitas elders for 2014-15 indicate 78% were very low income (at/below 50% of the median) and 41% were age 75 or older (an indicator placing them at greater risk). Our statistics also indicate 68% were female and 73% identified as minority elders. SALA's overarching objective is to improve or stabilize the daily living environment for seniors who are low income and rely on public benefits for their basic needs or who are at risk of abuse, isolation, homelessness, or institutionalization. This aligns with the CDBG National Objectives for a Suitable Living Environment. The specific project objective is to make a full range of free Legal Services available or accessible to 38 Milpitas seniors by 6/30/2017 by delivering these services primarily at appointments at least once monthly at Barbara Lee Center. Homebound Milpitas elders will be served by phone, as will seniors with urgent problems. Milpitas elders who appear at SALA intake sites in other cities will also be served. Services will focus on legal problems in areas common to the target population, such as Public Benefits, Housing, Elder Abuse, Nursing Homes, and Legal Planning for Incapacity. The desired outcome is to make free legal services available that low income or at risk seniors would otherwise not be able to access or afford, aligning with the outcome of Improving Availability/Accessibility. SALA's project also address a High Priority need identified by the City Council and CON Plan by providing Senior Services and it augments City services at Barbara Lee Center where SALA is regular activity at the site and the Center schedules our appointments and provides a private room for us.

CDBG Criteria: What criteria does your proposed project meet?

- (1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)
- (2) Limited Clientele (select from the options below):
- (a) Special needs group
 - Abused children
 - Elderly persons 60 years or older
 - Battered persons
 - Severely disabled adults (not children) as defined by the Census
 - Illiterate adults
 - Persons living with HIV/AIDS
 - Migrant farm workers
 - Homeless persons
 - (b) At least 51% of clientele to be served will be documented as LMI
- (3) Housing (select from the options below):
- Single Family (must be 100% LMI)
 - Multi-unit (must be 51% LMI)
- (4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	For 2015-16 SALA's Milpitas project will serve a minimum of 38 Milpitas clients 60 or older	For 2016-17 SALA's Milpitas project will serve a minimum of 38 Milpitas clients 60 or older	A minimum of 38 unduplicated Milpitas clients annually will be served in 2015-16 and 2016-17
2. Cost Per Client Annually	\$134.48 per client with Milpitas funding (\$5,109.81 /38 clients)	\$134.48 per client with Milpitas funding (\$5,110.00 /38 clients)	\$134.48 per client with Milpitas funding (\$5,110.00 /38 clients)
3. How many are low- and very-low income?	36 Milpitas clients*	36 Milpitas clients*	36 Milpitas clients*
4. Will the proposed assistance result in increase in clients? State projected number.	Not applicable as CDBG funding has supported SALA services to Milpitas seniors since 1995-96	Not applicable. SALA requests \$5,110.00, our current level (\$5,109.81) rounded up, to continue services for Milpitas	Not applicable. SALA requests \$5,110.00, our current level (\$5,109.81) rounded up, to continue services for Milpitas

* SALA's clientele (the Elderly) are Limited Clientele and presumed low income for CDBG. Nevertheless SALA records income on intake forms. Projections above for low and very low income clients are based upon statistics from Milpitas intake forms for FY 2014-15.

5. What is the total number of unduplicated clients/households to be served?	A minimum of 38 unduplicated Milpitas clients	A minimum of 38 unduplicated Milpitas clients	A minimum of 38 unduplicated Milpitas clients will be served in 2015-16 and in 2016-17
--	---	---	--

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

As a law office our sole deliverable is the provision of professional legal assistance by attorneys to our target clientele in the form of legal advice/consultations, document preparation, attorney representation in court/administrative proceedings, and community legal education. All services must be provided by a licensed attorney in good standing with the State Bar of California or by a legal worker directly supervised by a licensed attorney. Since SALA first received CDBG funding from Milpitas we have only charged personnel costs (salary/benefits/payroll taxes) to the grant to support SALA attorney and support staff (receptionist/secretarial) positions responsible for the delivery of project services to Milpitas seniors. No overhead has ever been charged to the grant. For 2016-17 CDBG funding is requested again to pay for personnel costs (salary/benefits/payroll taxes) for portions of SALA attorney and receptionist/secretary positions delivering project services to Milpitas seniors. No CDBG funds will be used for overhead.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Data for the Current and Projected clientele figures is based on FY 2014-15 statistics from SALA's Milpitas client intake forms, service goals for 2015-16 (Current), and proposal goals for 2016-17 (Projected). SALA records demographic information for clients receiving legal services on intake forms, including name/address, age, race/ethnicity, gender, head of household, disability, household/family size and income. Race/ethnicity data is collected in a manner consistent with categories established by CDBG/HUD. Income information is also collected using guidelines established by CDBG/HUD for Santa Clara County. Client data from intake forms is entered into an Access database for tabulation and submission of quarterly reports with client data on an aggregate basis to funders. The database also produces tracking sheets backing up data on quarterly reports and leaving an audit trail for funder monitoring.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

SALA's services are located at the Barbara Lee Senior Center in Milpitas where SALA is regular activity at the site and the Senior Center schedules our appointments and provides a private room for us to meet with clients on appointment days. The Center also publicizes the availability of our services in its Senior Connection Newsletter and other communications to its participants. As such, one of the primary ways we do outreach and new clients are recruited/referred to SALA is through outstationing our services at the Barbara Lee Center and the scheduling and publicizing of our services by the Senior Center. SALA also makes at least one Community Education/Outreach presentation at a site in Milpitas. Flyers and brochures (in English, Spanish, Mandarin, and Vietnamese) about SALA's services are also distributed at senior centers and community education presentations. The availability of SALA services at 20 senior centers countywide, including in Milpitas, is publicized on our website. Information about SALA's services in Milpitas is also publicized on the City of Milpitas' website under Senior Services. Lastly, clients are also recruited or referred to SALA by the Case Manager at Barbara Lee Center, case managers at Sourcewise (the Area Agency on Aging), Adult Protective Services and/or the Superior Court (for elder abuse matters), and other senior service providers serving Milpitas including LTC Ombudsman and Live Oak Adult Day Care.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.

Georgia Bacil
 Signature of Executive Officer, Georgia Bacil

2-3-16
 Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

NORTH COUNTY
(650) 969-8656

SOUTH COUNTY
(408) 847-7252



CENTRAL OFFICE
160 EAST VIRGINIA ST.
SUITE 260
SAN JOSE, CA 95112
(408) 295-5991
FAX: (408) 295-7401

**RESOLUTION BY BOARD OF DIRECTORS
OF SENIOR ADULTS LEGAL ASSISTANCE (SALA)**

Adopted December 2, 2015

I, Sheri Sudweeks, hereby certify that I am the President of the Board of Directors of Senior Adults Legal Assistance (SALA), a non-profit corporation in the State of California.

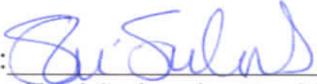
I further certify that on December 2, 2015, the SALA Board of Directors approved a resolution authorizing the SALA Directing Attorney, Georgia Bacil, to submit and sign proposals for the years covering 2015-2016, and for the years covering 2016-2017, 2017-2018, and 2019-2020 (as applicable if multiple year proposals), on behalf of SALA to all of SALA's current funding sources, as well as to any new funding sources, provided that proposals to new funders are consistent with SALA's Long Range Plan.

The Board resolution also authorizes the Directing Attorney, Georgia Bacil, to negotiate, contractually bind, and sign contracts and documents on behalf of SALA with all current funders for 2015-2016 and for the time periods in future years referenced above (as applicable), as well as with any new funding sources if such new funding is consistent with the proviso in the previous paragraph.

This also certifies that the Board resolution specifically authorizes the Directing Attorney to sign and submit the proposals and contracts as referenced above, and any other documents related thereto, with the City of San Jose, with the City of Mountain View, with the City of Sunnyvale, and with the City of Palo Alto (including HSRAP) as a "duly authorized officer" of SALA.

The Board resolution also authorizes the SALA Board President, the SALA Board Vice President, or the SALA Board Secretary/Treasurer to sign and submit the proposals and contracts referenced above, and any other documents related thereto, as a "duly authorized officer" of SALA including all proposals, contracts, or documents for the City of Palo Alto (including HSRAP).

Date: 12-2-15

Signature: 

Sheri Sudweeks, President
SALA Board of Directors

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Legal Assistance to Elders

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	4,536.00	7,929.00	12,465.00	In-Kind/Unrestricted*/County**
Benefits	574.00	695.00	1269.00	Unrestricted*/County/Older Americans
Rent	0	2346.00	2346.00	Unrestricted*/Older Americans Act
Telephone	0	480.00	480.00	Unrestricted*/Older Americas Act
Postage	0	120.00	120.00	Unrestricted*
Printing (including Ads)	0	20.00	20.00	Unrestricted*
Supplies	0	300.00	300.00	Unrestricted*
Travel	0	100.00	100.00	Unrestricted*
Utilities	0	0.00	0.00	N/A
Equipment & Maintenance	0	180.00	180.00	Unrestricted*
Attorney Bar Dues & Law Library	0	300.00	300.00	Unrestricted*
Accounting Services & Audit	0	1,590.00	1,590.00	Unrestricted*/Older Americas Act
Contract Services	0	0.00	0.00	N/A
Insurance	0	840.00	840.00	Unrestricted*/Older Americas Act
Conference & Attorney Training	0	20.00	20.00	Unrestricted*
Miscellaneous	0	80.00	80.00	Unrestricted*
TOTAL	5,110	15,000	20,110	

* Unrestricted funding = Contributions and Fundraising (including Silicon Valley Campaign for Legal Services). ** Also includes Older Americans Act

EXHIBIT B: PROJECT WORK PLAN
PROGRAM YEAR 2016-17

Project Name: Legal Assistance to Elders

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Directing Attorney	2.4%	Oversee and supervise all legal services and community education provided through the project.	Serve 38 project clients from July 1, 2016 through June 30, 2017.
Supervising Attorney	6.0%	Supervise all client intake sessions, home visits, and phone intake. Provide full range of direct legal services to clients.	Serve 38 project clients from July 1, 2016 through June 30, 2017.
Staff Attorney	2%	Conduct client intake and/or follow up legal work on intakes conducted by volunteers. Provide full range of direct legal services and/or community education.	Same as for Supervising Attorney and conduct annual community education/ outreach presentation.
Receptionist/Secretary	5%	Provide support for intake sessions and direct legal services provided by attorneys.	Same as for Supervising Attorney.
Receptionist/Secretary	5%	Provide support for intake sessions and direct legal services provided by attorneys.	Same as for Supervising Attorney.
Volunteer Intake Workers	variable	Conduct client intake at Milpitas/ Barbara Lee Senior Center and review intake information with Supervising Attorney.	Same as for Staff Attorney.

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: January 27, 2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name Legal Assistance to Elders

Project Coordinator: Georgia Bacil, Directing Attorney

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Direct Legal Services to Milpitas elders	X	X	X	X	X	X	X	X	X	X	X	X
Legal Service Client sessions at Milpitas/Barbara Lee Senior Center	X	X	X	X	X	X	X	X	X	X	X	X
Annual Community Education presentation at the Milpitas/ Barbara Lee Senior Center or another site in Milpitas												X

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Georgia Bacil Title Directing Attorney

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Legal Assistance to Elders

Date: January 27, 2016

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	365	400	382	365	382	382	382	348	400	348	400	382	4536
Benefits	47	49	48	47	48	48	48	46	49	46	49	49	574
Rent													
Telephone													
Postage													
Printing (incl. Ads)													
Supplies													
Travel													
Utilities													
Equip./Maintenance													
Dues & Subscriptions													
Accounting Services													
Contract Services													
Insurance													
Conference													
Miscellaneous													
TOTAL	412	449	430	412	430	430	430	394	449	394	449	431	5110

Armanino^{LLP}
50 West San Fernando Street
Suite 500
San Jose, CA 95113-2438
408 200 6400 main
408 200 6401 fax
armaninoLLP.com



The Board of Directors
Senior Adults Legal Assistance
San Jose, California

In planning and performing our audit of the financial statements of Senior Adults Legal Assistance (Organization) as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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.

The management of Senior Adults Legal Assistance is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objective of an internal control structure is to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of an evaluation of the structure to future period is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management, Board of Directors of Senior Adults Legal Assistance, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Armanino LLP
Armanino^{LLP}

San Jose, California
September 22, 2015

An independent firm associated with
Moore Stephens International Limited
MOORE STEPHENS

SENIOR ADULTS LEGAL ASSISTANCE

Financial Statements

June 30, 2015

(with Summarized Comparative Information
for the year ended June 30, 2014)

armanino 

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 – 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
Supplementary Information -- Final Closeout Report – Title III	15



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Senior Adults Legal Assistance
San Jose, CA

We have audited the accompanying financial statements of Senior Adults Legal Assistance (a California nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Organization'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 Organization'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 Senior Adults Legal Assistance as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements as of and for the year ended June 30, 2014 were audited by Berger Lewis Accountancy Corporation, whose practice became part of Armanino^{LLP} as of January 1, 2015, and whose report dated September 8, 2014 expressed an unmodified opinion on these statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of Final Closeout Report III 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.



Armanino^{LLP}
San Jose, California

September 22, 2015

SENIOR ADULTS LEGAL ASSISTANCE
Statement of Financial Position
June 30, 2015
(With Comparative Totals for 2014)

ASSETS

	<u>2015</u>	<u>2014</u>
Cash and equivalents (Note 2)	\$ 67,331	\$ 51,828
Grants receivable	51,597	70,013
Accounts receivable	-	60
Prepaid expenses	27,652	23,557
Investments (Note 3)	182,098	183,527
Equipment - net (Note 4)	<u>4,695</u>	<u>1,040</u>
Total assets	<u>\$ 333,373</u>	<u>\$ 330,025</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accrued expenses	\$ 17,058	\$ 13,849
Total liabilities	<u>17,058</u>	<u>13,849</u>
Net assets:		
Unrestricted:		
Designated (Note 5)	301,022	287,039
Invested in equipment	<u>4,695</u>	<u>1,040</u>
Total unrestricted	305,717	288,079
Temporarily restricted (Note 6)	<u>10,598</u>	<u>28,097</u>
Total net assets	<u>316,315</u>	<u>316,176</u>
Total liabilities and net assets	<u>\$ 333,373</u>	<u>\$ 330,025</u>

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

SENIOR ADULTS LEGAL ASSISTANCE
Statement of Activities
For the Year Ended June 30, 2015
(With Comparative Totals for 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>2014</u>
Support and revenue				
Support				
Contributions	\$ 32,752	\$ 1,860	\$ 34,612	\$ 21,985
Contributions (in-kind) (Note 8)	241,633	-	241,633	270,313
Grants & awards (including governmental)	24,474	93,000	117,474	109,367
State Bar-IOLTA/equal access fund	-	23,673	23,673	20,884
Special events				
Gross receipts	44,543	-	44,543	50,605
Direct expenses	<u>(26,585)</u>	<u>-</u>	<u>(26,585)</u>	<u>(27,042)</u>
Net special events	17,958	-	17,958	23,563
Total support	<u>316,817</u>	<u>118,533</u>	<u>435,350</u>	<u>446,112</u>
Revenue				
Fees and grants from governmental agencies	388,915	-	388,915	371,341
Investment income	2,702	-	2,702	23,645
Other income	226	-	226	61
Total revenue	<u>391,843</u>	<u>-</u>	<u>391,843</u>	<u>395,047</u>
Net assets released from restrictions	<u>136,032</u>	<u>(136,032)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>844,692</u>	<u>(17,499)</u>	<u>827,193</u>	<u>841,159</u>
Expenses				
Program services				
Legal Aid - Civil	719,528		719,528	726,762
Volunteer training	10,686		10,686	10,175
Total program services	<u>730,214</u>		<u>730,214</u>	<u>736,937</u>
Supporting services				
Management & general	88,405		88,405	86,540
Fundraising	8,435		8,435	7,912
Total supporting services	<u>96,840</u>		<u>96,840</u>	<u>94,452</u>
Total expenses	<u>827,054</u>		<u>827,054</u>	<u>831,389</u>
Change in net assets	17,638	(17,499)	139	9,770
Net assets, beginning of year	288,079	28,097	316,176	306,406
Net assets, end of year	<u>\$ 305,717</u>	<u>\$ 10,598</u>	<u>\$ 316,315</u>	<u>\$ 316,176</u>

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

SENIOR ADULTS LEGAL ASSISTANCE
Statement of Functional Expenses
For the Year Ended June 30, 2015
(With Comparative Totals for 2014)

	2015							
	Program Services			Supporting Services				
	Legal Aid - Civil	Volunteer Training	Total	Management & General	Fundraising	Total	Total	2014
Salaries	\$ 312,125	\$ 7,174	\$ 319,299	\$ 27,240	\$ 4,779	\$ 32,019	\$ 351,318	\$ 335,536
Salaries - in-kind	241,633	-	241,633	-	-	-	241,633	270,312
Employee benefits	34,738	798	35,536	3,031	532	3,563	39,099	37,798
Payroll taxes	22,908	526	23,434	1,999	351	2,350	25,784	24,769
	<u>611,404</u>	<u>8,498</u>	<u>619,902</u>	<u>32,270</u>	<u>5,662</u>	<u>37,932</u>	<u>657,834</u>	<u>668,415</u>
Professional fees	-	-	-	40,111	1,000	41,111	41,111	42,708
Office supplies	7,109	121	7,230	458	80	538	7,768	6,469
Computer supplies	890	20	910	78	14	92	1,002	1,533
Telephone	13,190	303	13,493	1,151	202	1,353	14,846	12,460
Postage	2,449	61	2,510	231	241	472	2,982	2,565
Occupancy	52,130	1,198	53,328	4,549	798	5,347	58,675	58,675
Equipment costs	4,516	104	4,620	394	69	463	5,083	4,093
Printing & publications	-	-	-	-	321	321	321	163
Law library	5,682	-	5,682	-	-	-	5,682	4,481
Travel	2,492	-	2,492	-	-	-	2,492	2,525
Conferences and meetings	341	309	650	-	-	-	650	742
Membership dues	3,185	-	3,185	200	-	200	3,385	3,413
Insurance	15,522	58	15,580	5,771	39	5,810	21,390	21,125
Advertising	-	-	-	150	-	150	150	150
Miscellaneous	-	-	-	2,988	-	2,988	2,988	1,612
Total expenses before depreciation	<u>718,910</u>	<u>10,672</u>	<u>729,582</u>	<u>88,351</u>	<u>8,426</u>	<u>96,777</u>	<u>826,359</u>	<u>831,129</u>
Depreciation	618	14	632	54	9	63	695	260
Total expenses	<u>\$ 719,528</u>	<u>\$ 10,686</u>	<u>\$ 730,214</u>	<u>\$ 88,405</u>	<u>\$ 8,435</u>	<u>\$ 96,840</u>	<u>\$ 827,054</u>	<u>\$ 831,389</u>
Percentage of total	<u>87.00%</u>	<u>1.3%</u>	<u>88.3%</u>	<u>10.7%</u>	<u>1.0%</u>	<u>11.7%</u>	<u>100.0%</u>	

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

SENIOR ADULTS LEGAL ASSISTANCE
Statement of Cash Flows
For the Year Ended June 30, 2015
(With Comparative Totals for 2014)

	2015	2014
Increase (decrease) in cash and cash equivalents		
<u>Cash flows provided (used) by operating activities:</u>		
Change in net assets	\$ 139	\$ 9,770
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	695	260
Net realized/unrealized (gains)/losses on investments	7,644	(15,293)
Donated securities	(5,094)	-
(Increase) decrease in assets		
Accounts receivable	60	440
Grants receivable	18,416	(9,133)
Prepaid expenses	(4,095)	(5,015)
Increase (decrease) in liabilities		
Accrued expenses	3,208	1,808
Deferred revenue	-	(3,000)
Total adjustments	20,834	(29,933)
Net cash (used) by operating activities	20,973	(20,163)
<u>Cash flows used by investing activities:</u>		
Purchase of equipment	(4,350)	-
Purchase of investments	(1,120)	(919)
Net cash provided (used) by investing activities	(5,470)	(919)
Net increase (decrease) in cash and cash equivalents	15,503	(21,082)
Cash and cash equivalents at beginning of year	51,828	72,910
Cash and cash equivalents at end of year	\$ 67,331	\$ 51,828

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

SENIOR ADULTS LEGAL ASSISTANCE
Notes to Financial Statements
June 30, 2015

1. Organization and Summary of Significant Accounting Policies

Senior Adults Legal Assistance (SALA) is a nonprofit elder law office whose mission is to support older persons in their efforts to live independently, non-institutionalized, and with dignity. Since 1973, SALA has provided free civil legal services for Santa Clara County residents, age 60 years or older, with an emphasis upon elders in greatest economic or social need.

Summary of activities

Legal Aid-Civil	Provides free legal services and community education to elders in the following areas of law: Public Benefits, Housing, Elder Abuse, Nursing Homes, Consumer, Advance Directives and Simple Wills. Also address legal issues affecting elders through collaborative activities and outreach targeting elders, their families, their advocates, and other service providers.
Volunteer Training	Recruits and trains volunteer intake workers and pro bono attorneys to assist SALA's attorney staff with the provision of legal services and community education through the Legal Aid program.

Summary of significant accounting policies

Basis of presentation

Under generally accepted accounting principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily net assets, and permanently restricted net assets.

- Unrestricted net assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Organization maintains an operating fund and an equipment fund plus any net assets designated by the Board for specific purposes.
- Temporarily restricted net assets consist of donor restricted contributions. Amounts restricted by the donor, grantor or other outside party for a particular purpose are reported as revenue when received, and such amounts are reported as temporarily restricted net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization does not imply a time restriction on gifts of long lived assets.

SENIOR ADULTS LEGAL ASSISTANCE
Notes to Financial Statements
June 30, 2015

1. Organization and Summary of Significant Accounting Policies (continued)

Summary of significant accounting policies (continued)

Basis of presentation (continued)

In most instances, a decrease in net assets in this class represents the current year usage of monies already recorded as income in prior years.

- Permanently restricted net assets include those assets, which are subject to a non-expiring donor restriction, such as endowments. The Organization does not currently maintain any monies in this net asset class.

Revenue recognition

The Organization recognizes support and revenue on the accrual basis of accounting. Grant revenues are recognized as revenue in the period in which the service is provided.

Contributions

Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature of donor restrictions. Restricted contributions are reported as increases in restricted net assets. When the restriction is met the amount is shown as a reclassification of restricted net assets to unrestricted net assets.

In-kind contributions

Contributed materials and equipment are reflected as contributions in the accompanying statements at their estimated fair values at date of receipt. Contributed services are reflected in the financial statements at the fair value of the services received. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individual possessing those skills and would typically need to be purchased if not provided by donation. Other donated services and materials that did not have a determinate value were not recorded. The Organization recognized in-kind contributions for services during the year ended June 30, 2015 and 2014 of \$241,633 and \$270,313, respectively.

SENIOR ADULTS LEGAL ASSISTANCE
Notes to Financial Statements
June 30, 2015

1. Organization and Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less. Included in this category are amounts held for long term purposes in the amount of \$31,383 and \$27,308 in 2015 and 2014, respectively. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant risk on cash accounts.

Investments

Investments are stated at fair value in the statement of financial position based on quoted market prices provided by investment managers. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer (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 fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Unobservable inputs reflect the Organization's own assumption about what market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

SENIOR ADULTS LEGAL ASSISTANCE
Notes to Financial Statements
June 30, 2015

1. Organization and Summary of Significant Accounting Policies (continued)

Fair value measurements (continued)

The following methods and assumptions were used to estimate the fair value of financial assets and liabilities:

(a) Investment Level 1. Investment securities traded on security exchanges are valued at closing market prices on the date closest to June 30.

Valuation techniques utilized during the reporting period in the fair value measurement of assets and liabilities presented on the Organization's statement of financial position were not changed from previous practice.

Risks and uncertainties

The Organization holds various investments which include mutual funds and equity securities. These securities are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the value of these investments reported in the accompanying financial statements.

Allowance for doubtful accounts

The Organization does not maintain an allowance for doubtful accounts due to the fact that the majority of the accounts receivable are reimbursements from funding sources for costs incurred for the various programs.

Equipment and depreciation

Equipment is recorded at cost or, if contributed at the estimated fair market value when donated. It is the Organization's policy to capitalize items costing more than \$1,000. Depreciation is computed using the straight line method over an estimated useful life of five years. Depreciation is recorded as a decrease in unrestricted net assets and the expense is charged to the activity benefiting from the use of the facilities or equipment.

SENIOR ADULTS LEGAL ASSISTANCE
Notes to Financial Statements
June 30, 2015

1. Organization and Summary of Significant Accounting Policies (continued)

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Advertising

The Organization expenses all advertising costs, including direct response advertising costs, as they are incurred. Advertising costs for the year ended June 30, 2015 and 2014 totaled \$150 and \$150, respectively.

Functional expense allocation

The costs of providing the 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. Indirect expense allocations are based on an analysis of personnel time and estimated use.

Use of estimates

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

Use of estimates include, but are not limited to, accounting for the allowance for doubtful receivables (when applicable), depreciation and the allocation of certain indirect costs.

SENIOR ADULTS LEGAL ASSISTANCE
Notes to Financial Statements
June 30, 2015

I. Organization and Summary of Significant Accounting Policies (continued)

Income taxes

The Organization is a qualified organization exempt from federal and California incomes taxes under the provision of Section 501(c)(3) of the Internal Revenue Code (IRC) and 23701 (d) of the State of California Revenue and Taxation Code. As such, the Organization qualifies for the maximum charitable contribution deduction by donors.

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2015, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Grants

Included in Fees and Grants from Government Agencies is government financial assistance are these amounts received from CDBG: City of San Jose \$17,500; City of Mountain View \$6,000; City of Santa Clara \$4,154; City of Milpitas \$5,000; the County of Santa Clara (Urban County CDBG) for the City of Campbell \$10,000; the City of Saratoga \$10,000; the City of Morgan Hill \$10,000. The Organization also received \$66,420 from the County of Santa Clara General Fund/Social Services Agency, \$30,884 from the County of Santa Clara General Fund, \$13,340 from the City of Palo Alto General Fund/Human Services Resource Allocation Program (HSRAP), \$9,800 from City of Cupertino General Fund/Human Service Grants, \$9,817 from the City of Sunnyvale General Fund, \$5,000 from the City of Campbell General Fund/Social Services Subgrant Program, \$1,000 for the Health Insurance Counseling and Advocacy Program (HICAP) administered by Sourcewise and \$190,000 in Title III Older Americans Act funding from Sourcewise (formerly Council on Aging Santa Clara County).

The Organization also received \$23,673 from the State Bar/Equal Access Fund as follows: \$10,047 from the State Bar Legal Services Trust Fund Program (IOLTA) and \$13,626 from the State Bar Equal Access Fund (EAF). Other Grants and Awards include \$24,474 from the Silicon Valley Campaign for Legal services, \$5,000 from the Mountain View Kiwanis Foundation, and \$88,000 from the City of San Jose Senior Health and Wellness Initiative program.

Subsequent events

The Organization has evaluated subsequent events through September 22, 2015, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Organization's financial statement.

SENIOR ADULTS LEGAL ASSISTANCE
Notes to Financial Statements
June 30, 2015

2. Cash and Cash Equivalents

At June 30, cash and cash equivalents consist of the following:

	<u>2015</u>	<u>2014</u>
Petty Cash	\$ 100	\$ 100
Bank of the West Checking - Lawyers Trust Account	83	83
Comerica Bank Checking - General	35,765	24,337
Schwab One - Cash and Money Market, held for long term purposes	29,211	19,988
Merrill Lynch - Money Market, held for long term purposes	2,172	7,320
	<u>\$ 67,331</u>	<u>\$ 51,828</u>

3. Investments

The fair value of Level 1 investments (See Note 1) as of June 30:

	<u>2015</u>	<u>2014</u>
Mutual funds:		
T. Rowe Price Equity Fund	\$ 65,443	\$ 70,536
Vanguard Wellington Fund	67,989	69,916
Eaton Vance Low Duration	43,689	43,075
Common stock	4,977	-
Total	<u>\$ 182,098</u>	<u>\$ 183,527</u>
Investment Income:	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 10,346	\$ 8,352
Realized and unrealized gains and losses	(7,644)	15,293
Total	<u>\$ 2,702</u>	<u>\$ 23,645</u>

SENIOR ADULTS LEGAL ASSISTANCE
Notes to Financial Statements
June 30, 2015 and 2014

4. Equipment

At June 30 the cost and accumulated depreciation of equipment was as follows:

	<u>2015</u>	<u>2014</u>
Office furniture and equipment	\$ 63,286	\$ 58,936
Less: accumulated depreciation	<u>(58,591)</u>	<u>(57,896)</u>
Net	<u>\$ 4,695</u>	<u>\$ 1,040</u>

5. Board Designated Net Assets

The Board of Directors has designated \$301,022 of current unrestricted funds for the purchase of equipment, to fund unanticipated expenditures and for future period budget reconciliation.

6. Temporarily Restricted Net Assets

At June 30 the Organization's temporarily restricted funds consisted of the following monies earmarked for program activities:

	<u>2015</u>	<u>2014</u>
Purpose: Legal Assistance for the Elderly		
Kiwanis Foundation of Mountain View	\$ 4,642	\$ 2,500
State Bar – IOLTA and Equal Access Funds	174	5,765
San Jose Senior Wellness	<u>5,782</u>	<u>19,832</u>
	<u>\$ 10,598</u>	<u>\$ 28,097</u>

7. Temporarily Restricted Contributions

Temporarily restricted contributions are comprised of \$1,860 voluntary client donations restricted to the purchase of Legal Aid supplies.

8. Contingent Liabilities

Conditions contained within the various contracts awarded to the Organization are subject to the funding agencies' criteria and regulations under which expenditures may be charged against and are subject to be audited under such regulations and criteria. Occasionally, such audits may determine that certain costs incurred against the grants may not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding source for the costs or be subject to the reductions of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the contracts and grants administered during the period.

SUPPLEMENTARY INFORMATION

FINAL CLOSEOUT REPORT – TITLE III



INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

The Board of Directors
Senior Adults Legal Assistance
San Jose, California

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information presented on the following pages is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Armanino LLP".

Armanino^{LLP}
San Jose, California

September 22, 2015

SENIOR ADULTS LEGAL ASSISTANCE
 COUNCIL ON AGING
 Final Closeout Report - Title III
 July 1, 2014 to June 30, 2015

LEGAL ASSISTANCE

<u>BUDGET CATEGORY</u>	<u>ANNUAL BUDGET</u>	<u>TOTAL EXPENDITURES (including Title III)</u>	<u>TOTAL TITLE III EXPENDITURES</u>
101 PERSONNEL - - - - -	\$ 369,730	\$ 590,948	\$ 59,078
102 PAYROLL TAXES - - - - -	24,968	28,634	4,485
103 FRINGE BENEFITS - - - - -	28,452	35,406	3,424
104 TRAVEL - - - - -	2,000	2,492	-
105 TRAINING - - - - -	250	340	-
106 EQUIPMENT - - - - -	4,500	5,083	-
107 OCCUPANCY - - - - -	58,674	58,675	54,000
108 TELEPHONE - - - - -	11,000	14,846	10,000
109 CONSUMABLE SUPPLIES - -	6,500	8,770	800
110 PRINTING & PUBLICATIONS - -	5,000	6,002	-
111 POSTAGE - - - - -	3,000	2,982	2,000
112 INSURANCE - - - - -	20,050	21,390	18,688
113 OTHER COSTS - - - - -	45,296	47,945	37,525
114 INDIRECT COSTS - - - - -	-	-	-
TOTAL PROGRAM COSTS - - - - -	579,420	823,513	190,000
LESS: NON-MATCH CASH - - - - -	308,420	390,020	X X X X
LESS: NON-MATCH IN-KIND - - - - -	-	-	X X X X
LESS: COASV STATE FUNDS - - - - -	-	-	X X X X
LESS: MATCH CASH - - - - -	-	-	X X X X
LESS: MATCH IN-KIND - - - - -	80,000	241,633	X X X X
LESS: GRANT RELATED INCOME - -	1,000	1,860	X X X X
LESS: NSIP (if applicable) - - - - -	-	-	X X X X
FEDERAL SHARE - - - - -	\$ 190,000	\$ 190,000	\$ 190,000



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: San Jose Conservation Corps & Charter School Date: 02/04/2016

Address: 1560 Berger Drive
Street Address *Suite Number*

San Jose CA 95112
City *State* *ZIP Code*

Phone: 408-283-7171 Email: dorsey@sjcccharterschool.org

Executive Director: Dorsey Moore

Project Manager (PM): Thomas Albrecht

PM's Phone: 408-639-8627 PM's Email: talbrecht@sjcccharterschool.org

DUNS #: 185076122

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

It is the mission of the San Jose Conservation Corps & Charter School to provide youth with a quality high school education and valuable work and life skills that empower them to become responsive, productive and caring citizens.

Section B: Funding Request

Total funding requested for this project	\$ 100,000
Total cost of project	\$ 125,000
Other funds leverage for project i.e. Private Donations (estimation)	\$ 25,000 (Work 2 Future dual enrollment)
Other funds not secured by project	\$ 0
Are you getting County assistance, if so, please list	\$ 0

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Funding from our Work 2 Future dual enrollment agreement will be leveraged or we will scale back the number of clients served based on the dollar amount available.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Applied for the 2014-2015 FY, awarded amount of \$31,250

Section C: Project Eligibility

Targeted Clientele: Low-income households, senior citizens and families/individuals living on a fixed incomes

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

Eligible Milpitas residents will be assisted with a home assessment, installation of energy efficient measures and a quality control inspection of the work performed. Energy efficient up-grades will be based on each homes individual needs.

CDBG Criteria: What criteria does your proposed project meet?

- (1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)
- (2) Limited Clientele (select from the options below):
 - (a) Special needs group
 - Abused children
 - Elderly persons 62 years or older
 - Battered persons
 - Severely disabled adults (not children) as defined by the Census
 - Illiterate adults
 - Persons living with HIV/AIDS
 - Migrant farm workers
 - Homeless persons
 - (b) At least 51% of clientele to be served will be documented as LMI
- (3) Housing (select from the options below):
 - Single Family (must be 100% LMI)
 - Multi-unit (must be 51% LMI)
- (4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	2014-2015 FY= 6 unduplicated clients served	12	12
2. Cost Per Client Annually	2014-2015 FY= \$2,500	\$3,000	12
3. How many are low- and very-low income?	2014-2015 FY= 100%	100%	12
4. Will the proposed assistance result in increase in clients? State projected number.	2014-2015 FY= 6 unduplicated clients served	12	12

5. What is the total number of unduplicated clients/households to be served?	2014-2015 FY= 6 unduplicated clients served	12	12
--	---	----	----

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Funds have paid for a percentages of administrative salaries, field supervisor wages, student job training wages, training, material/supplies, transportation and tools.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

SJCC&CS requires (prior to service) clients fill out an "intake data form" and a "certification of income/expense" form to verify eligibility and track clients from past service.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

SJCC&CS will present it's energy efficiency program at local community meetings, housing associations and canvas targeted areas within the City. We will also work with the City to identify potential low-income clients/neighborhoods.

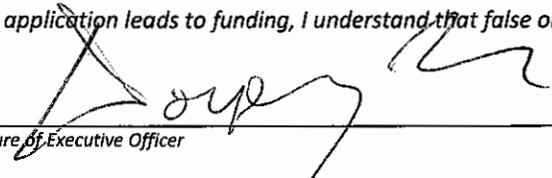
Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.

 _____

Signature of Executive Officer Date 2/4/16

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: SJCC&CS Energy Efficiency Program

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	\$24,693.34	\$22,088.91	\$46,782.25	Work 2 Future
Benefits	\$ 6,098.79	\$ 2,911.09	\$ 9,009.88	Work 2 Future
Rent				
Telephone	\$ 400.00		\$ 400.00	
Postage	\$ 100.00		\$ 100.00	
Printing (including Ads)	\$ 500.00		\$ 500.00	
Supplies	\$36,707.87		\$36,707.87	
Travel				
Utilities				
Equipment & Maintenance	\$ 1,500.00		\$ 1,500.00	
Dues & Subscriptions				
Accounting Services	\$10,000.00		\$10,000.00	
Contract Services				
Insurance	\$ 1,500.00		\$ 1,500.00	
Conference				
Miscellaneous	\$18,500.00		\$18,500.00	
TOTAL	\$100,000.00	\$25,000.00	\$125,000.00	

EXHIBIT B: PROJECT WORK PLAN
PROGRAM YEAR 2016-17

Project Name: SJCC&CS Energy Efficiency Program

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Thomas Albrecht	15%	Teach and measure job skills learned by energy efficient students.	Educate and train energy efficient students to implement measures within homes
Chris Gonsales	100%	On site supervision/co-teacher.	Supervision of students during training and quality control inspector of installed measures.
Rosa Ibarra	10%	Responsible for the compliance of CDBG accounting standards	Insure proper CDBG financial documentation, accurate billing and reporting is kept.

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: _____
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: SJCC&CS Energy Efficiency Program

Project Coordinator: Thomas Albrecht

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Outreach/identification of possible candidates. Train and teach students.	X	X	X									
Review intake data form, income expense form and conduct initial home assessments				X	X							
Develop work plan, order material & continue to train/teach students						X	X	X				
Installation of energy efficient measures									X	X	X	
Inspection of homes complete any "pickup" or warranty work												X

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Thomas Albrecht

Title Advanced CTE Director

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2015-2016

Project Name: SJCC&CS Energy Efficiency Program

Date: _____

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	\$3,473.19	\$3,473.19	\$3,473.19	\$3,825.19	\$3,825.19	\$2945.19	\$3,121.19	\$3,121.19	\$ 4,881.19	\$ 4,881.19	\$ 4,881.19	\$ 4,881.16	\$46,782.25
Benefits	\$589.01	\$589.01	\$589.01	\$722.92	\$722.92	\$388.15	\$455.10	\$455.10	\$1,124.66	\$1,124.66	\$1,124.66	\$1,124.68	\$9,009.88
Rent													
Telephone	\$33.33	\$33.33	\$33.33	\$33.33	\$33.33	\$33.33	\$33.33	\$33.33	\$33.33	\$33.33	\$33.33	\$33.37	\$400.00
Postage	\$40.00	\$40.00	\$20.00										\$100.00
Printing (incl. Ads)	\$200.00	\$200.00	\$100.00										\$500.00
Supplies	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$1,207.87	\$6,500.00	\$6,500.00	\$6,500.00	\$6,500.00	\$6,500.00	\$500.00	\$36,707.87
Travel													
Utilities													
Equip./Maintenance									\$375.00	\$375.00	\$375.00	\$375.00	\$1,500.00
Dues & Subscriptions													
Accounting Services	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.37	\$10,000.00
Contract Services													
Insurance	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$1,500.00
Conference													
Miscellaneous	\$1,319.04	\$1,319.04	\$1,319.04	\$439.68	\$439.68	\$-	\$879.36	\$879.36	\$2,974.71	\$2,974.71	\$2,974.71	\$2,980.67	\$18,500.00
TOTAL	\$7,112.90	\$7,112.90	\$6,992.90	\$6,479.45	\$6,479.45	\$5,532.87	\$11,947.31	\$11,947.31	\$16,847.22	\$16,847.22	\$16,847.22	\$10,853.25	\$125,000.00



SAN JOSE CONSERVATION CORPS • CHARTER SCHOOL

Board Officers

Mark Lazzarini
President

Rich De La Rosa
Vice President

Terence M. Kane
Treasurer

Jim Stoch
Secretary

Board Members

Stephen (Tim) Quigley, Jr.

Mahmood A. Khan

Hamid Saadat

Jess Gutierrez

Daniel Law

Stephen Lopes

Liz Hunt

Yacanex Posadas

Leslie Brown

Sandra Murillo

Chris Cruz

Dorsey Moore
Executive Director & CEO

**RESOLUTION FOR APPROVAL OF
City of Milpitas – Community Development Block Grant Application**

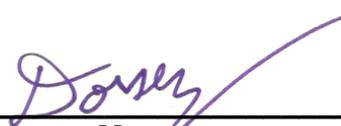
WHEREAS, the San Jose Conservation Corps & Charter School desires to approve the City of Milpitas Community Development Block Grant Application described hereunder.

RESOLVED, that the Board of Directors has hereby approved the San Jose Conservation Corps & Charter School City of Milpitas Community Development Block Grant Application.

The undersigned hereby certifies that he/she is the Executive Director and Chief Executive Officer of the San Jose Conservation Corps & Charter School, a non-profit corporation duly formed pursuant to the laws of the State of California and that he/she is duly authorized with the signature authority that includes, but shall not be limited to, the execution of deeds, powers of attorney, transfers, assignments, contracts, obligations, certificates, and other instruments of whatever nature entered into by this non-profit corporation.

The foregoing is a true record of a resolution duly adopted by the San Jose Conservation Corps & Charter School Board of Directors and that said resolution was approved in accordance with state law and the bylaws of the above-named non-profit corporation on February 5, 2016, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed my name as Executive Director and Chief Executive Officer of the San Jose Conservation Corps & Charter School.



Dorsey Moore
Executive Director/CEO

2/5/16

Date

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)

Audited Consolidated Financial Statements &
Independent Auditor's Reports

June 30, 2015 and June 30, 2014



Chavan & Associates, LLP
Certified Public Accounts
1475 Saratoga Ave, Suite 180
San Jose, CA 95129

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)

Table of Contents

TITLE	PAGE	
FINANCIAL SECTION:		
Independent Auditor’s Report	1 - 2	
Consolidated Basic Financial Statements:		
Consolidated Statement of Financial Position	3	
Consolidated Statement of Activities and Changes in Net Assets	4	
Consolidated Statement of Functional Expenses	5	
Consolidated Statement of Cash Flows	6	
Notes to Consolidated Basic Financial Statements.....	7 - 16	
SUPPLEMENTARY INFORMATION:		
Department of Resources Recycling and Recovery (CalRecycle) Compliance Section:		
Schedule of Grant Expenditures:		
Grant Number RLC-29-14-3.....	17	
Notes to CalRecycle Compliance Section	18	
OTHER INDEPENDENT AUDITOR’S REPORTS:		
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 <i>Government Auditing Standards</i>		19 - 20
Independent Auditor’s Report on Compliance with Requirements that Could have a Direct and Material Effect on Grants from the Department of Resources Recycling and Recovery		21 - 23
FINDINGS AND RECOMMENDATIONS:		
Schedule of Findings and Questioned Costs.....	24	
Status of Prior Year Findings and Recommendations	25	

Financial Section



INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Jose Conservation Corps
San Jose, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the San Jose Conservation Corps (the "Organization"), a California Nonprofit Public Benefit Corporation, which comprise the consolidated statement of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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, and the *Standards and Procedures for Audits of Local Conservation Corps Receiving Grant Funds from the Department of Resources Recycling and Recovery*, issued by the Department of Resources Recycling and Recovery. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the San Jose Conservation Corps as of June 30, 2015 and 2014, 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 Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Grant Expenditures as identified in the supplemental section of the table of contents is presented for purposes of additional analysis, as required by the *Standards and Procedures for Audits of Local Conservation Corps Receiving Grant Funds from the Department of Resources Recycling and Recovery*, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 September 19, 2015, 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 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 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.

C & A LLP

September 19, 2015
San Jose, California

*Consolidated Basic Financial
Statements*

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Consolidated Statement of Financial Position
June 30, 2015 and 2014

ASSETS	2015	2014
Current Assets:		
Cash and cash equivalents:		
Corps	\$ 287,529	\$ 138,278
Charter School	460,889	712,220
Restricted cash	118,689	54,565
Receivables:		
Contracts and grants	716,725	1,389,819
Other	102,784	110,443
Prepaid and other current assets	186,724	186,731
Total Current Assets	1,873,340	2,592,056
Noncurrent Assets:		
Construction in progress	29,734	-
Property and equipment - net	13,129,167	13,491,559
Total Noncurrent Assets	13,158,901	13,491,559
Total Assets	\$ 15,032,241	\$ 16,083,615
 LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 571,372	\$ 456,531
Accrued expenses	326,913	301,629
Unearned revenue	72,449	55,172
Notes payable - current portion	79,506	80,206
Total Current Liabilities	1,050,240	893,538
Noncurrent Liabilities:		
Notes payable - noncurrent portion	2,320,074	2,401,441
Total Liabilities	3,370,314	3,294,979
 NET ASSETS		
Temporarily Restricted	118,689	54,565
Unrestricted Net Assets	11,543,238	12,734,071
Total Net Assets	11,661,927	12,788,636
Total Liabilities and Net Assets	\$ 15,032,241	\$ 16,083,615

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

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Consolidated Statement of Activities and Changes in Net Assets
For the Fiscal Years Ended June 30, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Government grant income	\$ 3,185,727	\$ -	\$ 3,185,727	\$ 3,931,941	\$ -	\$ 3,931,941
General and program revenues - charter school	2,728,862	-	2,728,862	3,311,282	-	3,311,282
E-Rate income	127,714	-	127,714	306,690.00	-	306,690
Contributions	18,000	275,780	293,780	179,836	220,316	400,152
Donated rent	88,431	-	88,431	88,431	-	88,431
Donated food	2,004	-	2,004	23,454	-	23,454
Interest income	1,667	-	1,667	1,995	-	1,995
Rental income	151,598	-	151,598	138,192	-	138,192
Miscellaneous	7,273	-	7,273	33,499	-	33,499
Net assets released from restrictions	211,656	(211,656)	-	246,284	(246,284)	-
Total revenue and support	<u>6,522,932</u>	<u>64,124</u>	<u>6,587,056</u>	<u>8,261,604</u>	<u>(25,968)</u>	<u>8,235,636</u>
EXPENSES						
Program services:						
Corpsmember training	3,265,969	-	3,265,969	3,940,569	-	3,940,569
Charter school	3,418,287	-	3,418,287	3,765,126	-	3,765,126
Total program services	<u>6,684,256</u>	<u>-</u>	<u>6,684,256</u>	<u>7,705,695</u>	<u>-</u>	<u>7,705,695</u>
Support services:						
Management and general	969,515	-	969,515	852,144	-	852,144
Fundraising	59,994	-	59,994	69,400	-	69,400
Total support services	<u>1,029,509</u>	<u>-</u>	<u>1,029,509</u>	<u>921,544</u>	<u>-</u>	<u>921,544</u>
Total expenses	<u>7,713,765</u>	<u>-</u>	<u>7,713,765</u>	<u>8,627,239</u>	<u>-</u>	<u>8,627,239</u>
Change in Net Assets	(1,190,833)	64,124	(1,126,709)	(365,635)	(25,968)	(391,603)
Total Net Assets - Beginning	<u>12,734,071</u>	<u>54,565</u>	<u>12,788,636</u>	<u>13,099,706</u>	<u>80,533</u>	<u>13,180,239</u>
Total Net Assets - Ending	<u>\$ 11,543,238</u>	<u>\$ 118,689</u>	<u>\$ 11,661,927</u>	<u>\$ 12,734,071</u>	<u>\$ 54,565</u>	<u>\$ 12,788,636</u>

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

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Consolidated Statement of Functional Expenses
For the Fiscal Years Ended June 30, 2015 and 2014

	2015							2014							
	Program Services			Support Services				Total Expenses	Program Services			Support Services			Total Expenses
	Corpsmember Training	Charter School	Total Program Services	Management and General	Fundraising	Total Support Services	Corpsmember Training		Charter School	Total Program Services	Management and General	Fundraising	Total Support Services		
Personnel costs	\$ 2,408,931	\$ 2,095,291	\$ 4,504,222	\$ 497,131	\$ 45,827	\$ 542,958	\$ 5,047,180	\$ 3,122,158	\$ 2,112,227	\$ 5,234,385	\$ 457,755	\$ 67,529	\$ 525,284	\$ 5,759,669	
Education and training	37,712	253,761	291,473	4,071	40	4,111	295,584	63,854	431,021	494,875	1,371	150	1,521	496,396	
Professional services	30,509	446,628	477,137	117,976	13,151	131,127	608,264	37,479	508,162	545,641	113,049	-	113,049	658,690	
Office and other	18,452	27,315	45,767	51,836	65	51,901	97,668	23,061	40,842	63,903	98,382	356	98,738	162,641	
Insurance	83	3,860	3,943	64,206	-	64,206	68,149	57,825	4,041	61,866	56,373	-	56,373	118,239	
Equipment and related	28,445	-	28,445	31,009	13	31,022	59,467	57,088	5,054	62,142	24,036	-	24,036	86,178	
Vehicle	187,559	4,341	191,900	12,378	-	12,378	204,278	123,410	4,865	128,275	5,412	16	5,428	133,703	
Travel	11,555	20,352	31,907	9,189	193	9,382	41,289	21,692	12,298	33,990	9,079	-	9,079	43,069	
Facilities	141,555	243,046	384,601	129,474	364	129,838	514,439	49,815	257,609	307,424	58,207	434	58,641	366,065	
Donated rent	11,735	73,762	85,497	2,934	-	2,934	88,431	16,136	65,744	81,880	6,550	-	6,550	88,430	
Donated food	2,004	-	2,004	-	-	-	2,004	22,904	-	22,904	-	-	-	22,904	
Marketing and communication	150	-	150	717	-	717	867	581	-	581	516	284	800	1,381	
Field	140,159	3,007	143,166	23,743	314	24,057	167,223	129,466	8,849	138,315	5,953	529	6,482	144,797	
Interest	26,773	84,824	111,597	2,465	-	2,465	114,062	47,270	85,438	132,708	3,056	-	3,056	135,764	
Loan closing costs amortization	389	-	389	-	-	-	389	-	-	-	-	-	-	-	
Loss from uncollectible accounts	674	-	674	-	-	-	674	-	-	-	300	-	300	300	
Depreciation and amortization	219,284	162,100	381,384	22,386	27	22,413	403,797	167,830	228,976	396,806	12,105	102	12,207	409,013	
Total Expenses	\$ 3,265,969	\$ 3,418,287	\$ 6,684,256	\$ 969,515	\$ 59,994	\$ 1,029,509	\$ 7,713,765	\$ 3,940,569	\$ 3,765,126	\$ 7,705,695	\$ 852,144	\$ 69,400	\$ 921,544	\$ 8,627,239	

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

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Consolidated Statement of Cash Flows
For the Fiscal Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,126,709)	\$ (391,603)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization expense	403,797	409,013
Changes in operating assets and liabilities:		
(Increase) decrease in contracts and grants receivable	673,094	441,273
(Increase) decrease in other receivables	7,659	(109,120)
(Increase) decrease in prepaid and other current assets	7	(58,615)
Increase (decrease) in accounts payable	114,841	116,426
Increase (decrease) in accrued expenses	25,284	(60,666)
Increase (decrease) in unearned revenue	17,277	54,293
Net cash provided by operating activities	115,250	401,001
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(41,405)	(50,017)
Construction costs paid for construction in progress	(29,734)	-
Net cash used for investing activities	(71,139)	(50,017)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (increase) decrease in restricted cash	(64,124)	25,968
Repayment of notes payable	(82,067)	(274,012)
Proceeds from line of credit	-	1,415
Repayments on line of credit	-	(58,730)
Net cash provided by (used for) financing activities	(146,191)	(305,359)
Net increase (decrease) in cash and cash equivalents	(102,080)	45,625
Cash and cash equivalents - beginning of year	850,498	804,873
Cash and cash equivalents - end of year	\$ 748,418	\$ 850,498
Supplemental Cash Flows Disclosures:		
Cash paid for interest (net of capitalized portion)	\$ 114,062	\$ 135,764

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

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The San Jose Conservation Corps (the Organization or the Corps) was incorporated in May 1987 as an independent nonprofit organization formed to provide disadvantaged, young men and women (mostly minority) with the academic education, hands-on learning, and development of basic skills such as leadership communication, computer literacy, and employment training needed to enter and succeed in the Silicon Valley skilled workforce. The Organization offers secondary education courses through its on-site charter high school, and vocational education and job training through its Projects and Recycling Departments. Another program, YouthBuild San Jose, combines the mandatory academics with paid on-site job training in the high demand and high wage construction trades. The Organization's mission is to provide youth with a quality high school education and teach valuable work and life skills that empower them to become responsible, productive, and caring citizens.

The Organization operates the San Jose Conservation Corps Charter School (Charter School), which was established on July 1, 2002, to provide vocational training as well as academic hands-on learning. The Charter School is a division of San Jose Conservation Corps. The governing board of the Charter School is also the governing board of the Organization.

The Charter School derives its separate income primarily from state Block Grants (attendance and categorical programs), other federal and foundation grants, as well as from independent donor contributions.

Oversight, beyond the internal review by the Charter School Board of Directors, is under the auspices of the local sponsoring education entity, East Side Union High School District. The Charter School is financially independent of the District. Reports are also made to the Santa Clara County Office of Education and the California Department of Education. Individual grants also have reporting requirements.

Basis of Presentation

The consolidated financial statements are presented in conformity with Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958) of Not-For-Profit Organizations. Under FASB ASC 958, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Permanently Restricted Net Assets - Net assets subject to third party or legal stipulations that they be maintained permanently. There were no permanently restricted net assets as of June 30, 2015 and June 30, 2014.

Temporarily Restricted Net Assets - Net assets whose use is limited by third party or legal stipulations that either expire by passage of time or can be fulfilled and released by actions pursuant to those donor-imposed or legal stipulations.

Unrestricted Net Assets - Net assets whose use is not subject to third party or legal restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or otherwise limited by contractual arrangements with external parties.

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

During the reporting period, the Organization had only unrestricted and temporarily restricted net assets. Temporarily restricted net assets at June 30, 2015 and 2014, related primarily to contributions for which the funds had not yet been spent for the purpose designated by the donor.

Revenues are reported as increases in unrestricted net assets unless their use is limited by third party restrictions. Expenses are reported as decreases in unrestricted net assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the consolidated statement of activities.

Principles of Consolidation

The consolidated financial statements include the accounts of the San Jose Conservation Corps Charter School and the San Jose Conservation Corps (collectively referred to as the Organization). Significant intra-entity accounts and transactions have been eliminated in consolidation.

Accounting Principles

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America, as prescribed by the American Institute of Certified Public Accountants, which require the use of the accrual method of accounting. Under the accrual method of accounting, revenue is recognized when earned and expenses are recognized in the period incurred.

Revenue Recognition

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as unrestricted support, temporarily restricted support, or permanently restricted support, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities as net assets released from restrictions. Contributions restricted for the purchase of long-lived assets, are reported as unrestricted or temporarily restricted support with restrictions released over the useful lives of the assets.

Government contracts, which are funded on a reimbursement basis, are considered exchange transactions and are also shown as unrestricted revenue.

The Organization entered into an agreement to lease their office facility with the City of San Jose. The lease is for a 30-year period, retroactive to March 15, 2000, and requires monthly rental payments of \$1, which is significantly less than fair value. The Organization intends to expand their office facility which, during the life of the lease, should significantly impact the value of the property. For the fiscal year ended June 30, 2015, the City of San Jose has determined the fair value of the donated rent to be \$88,431.

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

Donated Assets

Noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Services and Items

A substantial number of individuals have donated significant amounts of time and inventory to the Organization's programs and supporting functions. However, these services do not meet the criteria for recognition in accordance with accounting principles generally accepted in the United States and, therefore, are not recorded in the consolidated financial statements.

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk include cash and investments. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits as guaranteed by the Federal Depository Insurance Corporation (FDIC).

The carrying amount of the Organization's total cash was \$867,107 at June 30, 2015. The bank balance, before reconciling items, was \$924,144 at June 30, 2015, of which \$409,288 was not covered by Federal Depository Insurance (FDIC). FDIC covers up to \$250,000 per bank.

Cash and Cash Equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. For financial statement purposes, the Organization considers investments with maturity of three months or less to be cash equivalents. Funds with use restrictions are not included as cash, regardless of their liquidity.

Restricted Cash

Restricted cash represents contributions received with donor-imposed restrictions that have not been fulfilled at year-end and those amounted to \$118,689 and \$54,565 at June 30, 2015 and 2014, respectively.

Investments and Fair Value Measurements

Investments held by a broker in customer accounts are protected against physical loss by the Securities Investor Protection Corporation (SIPC). The following methods and significant assumptions were used to estimate the fair values of financial assets and financial liabilities:

1. Assets for which carrying amounts approximate fair values include cash and cash equivalents and certain other assets that mature within 90 days.

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

2. For investment securities for which it was practicable to determine fair value, fair value is based either on exchange-traded prices or broker-dealer quotations for the same or similar securities.
3. For accounts payable and accrued expenses, fair value approximates carrying value due to the relatively short period of time between their origination and expected realization.

In accordance with FASB ASC 820-10 (formerly SFAS No.157), the Organization has characterized its investments in securities, based on the priority of the inputs used to value the investments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1], and the lowest priority to unobservable inputs [Level 3]. If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the investment.

Investments recorded in the consolidated statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access. The investments are exchange-traded equity securities.

Level 2. These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments. These investments are comprised of corporate bonds that trade infrequently.

Level 3. These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments are certain private equity investments.

Accounts Receivable

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the result that would have been obtained had the allowance method been followed.

Property, Equipment and Improvements

Property and equipment is stated at cost of acquisition or construction, or fair value if donated. The costs of maintenance and repairs are charged to expense as incurred. Costs of improvement or betterment that increase the value of the property or extend its useful life are capitalized. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets, except leasehold improvements. Leasehold improvements are stated at cost and are amortized over the shorter of the life of the asset or the terms of the underlying leases.

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

The useful lives of the assets are estimated as follows:

Buildings and site improvements	5 to 40 years
Leasehold improvements	10 to 40 years
Vehicles	2 to 5 years
Furniture and equipment	2 to 7 years

Construction in Progress

Construction in progress is stated at cost and generally consists of governmental fees, consulting and professional fees as well as construction costs. These costs are recorded as construction in progress and are not depreciated until the property is placed in service.

Capitalized Interest

The Organization capitalizes interest incurred during development as a component of construction in progress. From the total interest cost incurred of \$114,062 and \$135,764 for 2015 and 2014, no interest was capitalized in 2015 nor in 2014.

Deferred Costs

Deferred costs are incurred in order to obtain permanent financing for the Organization. When applicable, deferred costs are stated at cost and amortized on a straight-line basis, which is approximately the effective-yield method over the loan term of 10 years and reflected as a component of interest expense.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under the related California code sections.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Consolidated Statement of Activities and Changes in Net Assets and the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2015 and June 30, 2014:

Property and Equipment	Balance June 30, 2014	Additions	Adjustments & Deletions	Ending June 30, 2015
Land	\$ 2,463,319	\$ -	\$ -	\$ 2,463,319
Buildings and site improvements	12,692,202	32,400	-	12,724,602
Vehicles	1,747,682	-	-	1,747,682
Recycling and service equipment	367,606	-	-	367,606
Computer equipment	53,379	-	-	53,379
Office and other equipment	502,366	9,005	-	511,371
Total Property and Equipment	17,826,554	41,405	-	17,867,959
Less: Accumulated Depreciation	4,334,995	403,797	-	4,738,792
Property and Equipment - Net	\$ 13,491,559	\$ (362,392)	\$ -	\$ 13,129,167

Depreciation expense was \$403,797 for the year ended June 30, 2015 and \$409,013 for the year ended June 30, 2014. Construction in Progress consisted of the following as of June 30, 2015 and June 30, 2014:

Construction in Progress	Beginning June 30, 2014	Additions	Adjustments & Deletions	Ending June 30, 2015
Corp software development	\$ -	\$ 11,250	\$ -	\$ 11,250
1560 Berger Drive	-	18,484	-	18,484
Total Construction in Progress	\$ -	\$ 29,734	\$ -	\$ 29,734

NOTE 3 - CONTRACTS AND GRANTS RECEIVABLE

Contracts and grants receivable consisted of the following as of June 30, 2015:

Resource	Corps	Charter	Total
Federal Government	\$ 98,372	\$ 70	\$ 98,442
State Government	351,450	25,454	376,904
Local Government	229,563	-	229,563
Other	11,816	-	11,816
Total Contracts and Grants Receivable	\$ 691,201	\$ 25,524	\$ 716,725

NOTE 4 - LINE OF CREDIT

Wells Fargo

The Organization opened a \$94,000 unsecured line of credit with Wells Fargo in November of 2011, with a fixed rate of 10%. There was no balance owed on the line of credit as of June 30, 2015 and June 30, 2014. The interest cost was \$150 and \$1,415, in 2015 and 2014, respectively.

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

NOTE 5 - NOTES PAYABLE

Notes payable consisted of the following as of June 30, 2015 and June 30, 2014:

	Balance			Balance		Current	Total
Notes Payable	June 30, 2014	Additions	Deletions	June 30, 2015	Portion	Noncurrent	
Heritage Bank	\$ 2,481,647	\$ -	\$ 82,067	\$ 2,399,580	\$ 79,506		\$ 2,320,074

The Heritage Bank note was issued at the maximum amount of \$4,000,000 and secured by the Organization's property located at 1534 Berger Drive in San Jose, CA. A total of \$2,965,726 was originally borrowed. The note was adjusted on December 22, 2010, to reflect an outstanding balance of \$2,921,857 that matures on December 3, 2017. On May 30, 2014, the note was adjusted again with an outstanding balance of \$2,688,599 and the same maturity date. The interest rate was changed from a variable interest rate to a fixed rate at 4.500%. A final payment of \$2,200,849 is due when the loan matures. The loan repayment schedule through the fiscal year ending June 30, 2018, is as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 79,506	\$ 115,662	\$ 195,168
2017	83,158	112,009	195,167
2018	2,236,916	54,583	2,291,499
Total Debt Service	\$ 2,399,580	\$ 282,254	\$ 2,681,834

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of June 30, 2015 and June 30, 2014:

Program	2015			
	June 30, 2014	Contributions	Released from Restrictions	June 30, 2015
YouthBuild Program	\$ 44,143	\$ 165,082	\$ (130,331)	\$ 78,894
Green Program	10,000	50,000	(30,627)	29,373
Scholarship Program	422	10,000	-	10,422
Americorps Program	-	4,000	(4,000)	-
Other Programs	-	46,698	(46,698)	-
Totals	\$ 54,565	\$ 275,780	\$ (211,656)	\$ 118,689

Program	2014			
	June 30, 2013	Contributions	Released from Restrictions	June 30, 2014
YouthBuild Program	\$ 23,000	\$ 124,294	\$ (103,151)	\$ 44,143
Green Program	-	10,000	-	10,000
Scholarship Program	57,533	15,000	(72,111)	422
Other Programs	-	71,022	(71,022)	-
Totals	\$ 80,533	\$ 220,316	\$ (246,284)	\$ 54,565

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

NOTE 7 - CHARTER SCHOOL SEGMENTED INFORMATION

The Charter School is an education program within the Corps and is a state sponsored entity for reporting purposes. As such, separate charter school financial statements are prepared and submitted to the California Department of Education and the State Controller's Office each year. The Charter School's assets can only be used for the intended purposes of the school. However, the use of these assets for school operations is not restricted unless a specific third party restriction exists. The following is a summary of the Charter School's audited financial information as of June 30, 2015 and 2014.

	June 30, 2015	June 30, 2014	Change
Total Assets	\$ 1,241,069	\$ 1,956,355	\$ (715,286)
Total Deferred Outflows	100,785	-	100,785
Total Liabilities	1,917,033	457,860	1,459,173
Total Deferred Inflows	342,193	-	342,193
Total Net Assets	(917,372)	1,498,495	(2,415,867)
Total Revenues	2,775,937	3,767,267	(991,330)
Total Expenditures	3,582,082	3,932,650	(350,568)

The following is a reconciliation of net assets from the FASB presentation to the GASB presentation of net assets.

	June 30, 2015	June 30, 2014	Change
Total Net Assets per FASB	\$ (917,372)	\$ 1,498,495	\$ (2,415,867)
Total Deferred Outflows	(100,785)	-	(100,785)
Total Deferred Inflows	342,193	-	342,193
Net Pension Liability	1,295,740	-	1,295,740
Total Net Assets per GASB	\$ 619,776	\$ 457,860	\$ 161,916

NOTE 8 - RETIREMENT PLANS

The Organization sponsors a 403(b) retirement plan covering eligible employees. The employer is not required to make contributions to the plan.

Qualified Charter School employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Classified Charter School employees are members of the California Public Employees' Retirement System (CalPERS), and certified employees are members of the State Teachers' Retirement system (STRS). Benefit provisions of the plans are established by state statutes within the Public Employees' Retirement Law and State Teachers' Retirement Law.

PERS

Plan Description - The Charter School contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811.

Funding Policy - Active plan members are required to contribute 7% of their salary and the Charter School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The Charter School's required employer contribution rate for fiscal year 2014-2015 was 11.771%. The contribution requirements of the plan members are established by state statute. For the fiscal year ending June 30, 2015, the Charter School contributed \$16,493 to CalPERS. For the fiscal years ending June 30, 2014 and 2013, the Charter School contributed \$22,150 and \$18,869, respectively, to CalPERS. These were the Charter School's required contribution.

STRS

Plan Description - The Charter School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7919 Folsom Boulevard, Sacramento, California 95826.

Funding Policy - Active plan members are required to contribute 8.15% of their salary and the Charter School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2014-2015 was 8.88% of annual payroll. The contribution requirements of the plan members are established by state statute. The Charter School's contributions to STRS for the fiscal years ending June 30, 2015, 2014, and 2013, were \$84,292, \$82,112 and \$69,484, respectively, and equals 100% of the required contributions for each year.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Federal and State Awards and Grants

The Organization receives a substantial amount of its support from federal, state, city and county governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

Grant and contract awards require the fulfillment of certain conditions as set forth in the agreements. Failure to fulfill the conditions could result in the return of the funds to the grantors. The

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Notes to Consolidated Basic Financial Statements
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

Organization deems this contingency remote since by accepting the grants and contracts and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 10 - SUBSEQUENT EVENTS

Management has reviewed subsequent events and transactions that occurred after the date of the consolidated financial statements through the date the consolidated financial statements were issued. The consolidated financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

Supplementary Information
Department of Resources
Recycling and Recovery (CalRecycle)
Compliance Section

San Jose Conservation Corps
 (A California Nonprofit Public Benefit Corporation)
 Department of Resources Recycling and Recovery (CalRecycle)
 Schedule of Grant Expenditures
 Grant Number RLC-29-14-3
 For the Fiscal Year Ended June 30, 2015

	Claimed Costs	Audited Costs
Personnel Services:		
Corps members salaries and wages	\$ 455,428	\$ 455,428
Staff salaries and wages	386,137	386,137
Taxes and benefits	206,301	206,301
Total personnel services	1,047,866	1,047,866
Operating Expenses:		
Education and training	3,906	3,906
Professional services	19,207	19,207
Office expenses	2,054	2,054
Equipment and related expenses	13,050	13,050
Vehicle expenses	98,819	98,819
Travel	198	198
Facilities	24,338	24,338
Field expenses	44,345	44,345
Total operating expenses	205,917	205,917
Indirect Costs	313,446	313,446
Total Local Corps Costs	\$ 1,567,229	\$ 1,567,229

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Department of Resources Recycling and Recovery (CalRecycle)
Notes to CalRecycle Compliance Section
For the Year Ended June 30, 2015

NOTE 1 - SCHEDULE OF GRANT EXPENDITURES

Basis of Presentation

The schedules of grant expenditures include the grant activity of the Organization under programs of the *Department of Resources Recycling and Recovery* for the year ended June 30, 2015. The information in these schedules is presented in accordance with accounting principles generally accepted in the United States of America.

Summary of Significant Accounting Policies

Expenditures reported in the Schedules are reported on the accrual basis of accounting.

*Other Independent
Auditor's Reports*



**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***

Board of Directors
San Jose Conservation Corps
San Jose, California

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 consolidated financial statements of San Jose Conservation Corps (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated October 3, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated 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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

October 3, 2014
San Jose, California



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON GRANTS FROM THE
DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**

Board of Directors
San Jose Conservation Corps
San Jose, California

Report on Compliance for Each CalRecycle Grant

We have audited the San Jose Conservation Corps’ (the “Organization”) compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of Local Conservation Corps Receiving Grant Funds from the Department of Resources Recycling and Recovery* (CalRecycle), issued by the Department of Resources Recycling and Recovery.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Organization’s compliance with the applicable requirements. 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 *Standards and Procedures for Audits of Local Conservation Corps Receiving Grant Funds from the Department of Resources Recycling and Recovery* (CalRecycle), issued by the Department of Resources Recycling and Recovery. Those standards 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 CalRecycle grant 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 CalRecycle grant. However, our audit does not provide a legal determination of the Organization’s compliance with those requirements.

Opinion on Each CalRecycle Grant

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on CalRecycle grants for the fiscal year ended June 30, 2015.



Other Information – Compliance Procedures

In connection with the compliance audit referred to above, we selected and tested transactions and records to determine the Organization's compliance with the laws, regulations and grant agreements applicable to the following items:

<i>Description</i>	<i>No. of Audit Guide Procedures</i>	<i>Procedures Performed</i>
Internal Control	11	Yes
Subcontractors	1	Yes
Competitive Bids	3	Yes
Conflict of Interest	2	Yes
Allowable and Reasonable Costs	7	Yes
Travel	3	Yes

Report on Internal Control over Compliance

Management of the San Jose Conservation Corps 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 of the Organization’s CalRecycle grants to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each CalRecycle grant and to test and report on internal control over compliance in accordance with *Standards and Procedures for Audits of Local Conservation Corps Receiving Grant Funds from the Department of Resources Recycling and Recovery* (CalRecycle), issued by the Department of Resources Recycling and Recovery, 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 CalRecycle grant 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 CalRecycle grant 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 CalRecycle grant 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.



Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *Standards and Procedures for Audits of Local Conservation Corps Receiving Grant Funds from the Department of Resources Recycling and Recovery* in considering the Organization's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

C & A LLP

October 3, 2014
San Jose, CA

*Findings and
Recommendations*

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Schedule of Findings and Questioned Costs
For the Years ended June 30, 2015 and June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weaknesses?	___ Yes	_X_ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

The Organization did not spend or incur expenditures of \$500,000 or more in federal awards.

CalRecycle Grants

Internal control over grant programs:		
Material weaknesses?	___ Yes	_X_ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None
Type of auditor's report issued on compliance:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with standards issued by the Department of Resources Recycling and Recovery	___ Yes	_X_ No

Section II - Financial Statement Findings

No findings noted.

Section III - Federal Awards Findings and Questioned Costs

No findings noted.

Section IV - CalRecycle Findings and Questioned Costs

No findings noted.

San Jose Conservation Corps
(A California Nonprofit Public Benefit Corporation)
Status of Prior Year Findings and Recommendations
For the Years ended June 30, 2015 and June 30, 2014

No findings noted.



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Silicon Valley Independent Living Center (SVILC) Date: February 4, 2016

Address: 2202 North First Street
Street Address *Suite Number*

San Jose CA 95131
City *State* *ZIP Code*

Phone: 408-894-9041 Email: grants@svilc.org

Executive Director: Sheri Burns

Project Manager (PM): Sheri Burns

PM's Phone: 408-894-9041 PM's Email: grants@svilc.org

DUNS #: 113302871

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

SVILC is a disability justice and resource organization that promotes independence, equality, choice and pride for people with disabilities of all ages and cultures and provides support to build their capacity to live freely in the community.

SVILC's diverse programs address the comprehensive needs that individuals with disabilities, including seniors with disabling conditions, have when gaining or attempting to increase their independence. Core programs are: Assistive Technology, Advocacy, Independent Living Skills Training, Information & Referral, Peer Counseling, Housing, and Personal Care Attendant Services. We also have special initiatives targeted towards empowering youth with disabilities and to assist persons with disabilities and seniors move out of skilled nursing or long-term care institutions into communities of their choice.

This project supports our Housing Services for Persons with Disabilities program, our most requested service need of our 10 programs and services.

Section B: Funding Request

Total funding requested for this project	\$6,984
Total cost of project	\$261,363
Other funds leverage for project i.e. Private Donations (estimation)	\$20,000 (EFSP)
Other funds not secured by project	\$137,812
Are you getting County assistance, if so, please list	\$96,567 (SCC HTS, Measure A, CDBG)

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

SVILC provides Housing Assistance Services for low and very low income Persons with Disabilities, including seniors with disabling conditions, who reside throughout Santa Clara County. The services are 4-prong and include: 1) Housing Assessments, Referrals and Mediation; 2) Housing Search Workshops; 3) 1:1 Housing Search Assistance; and 4) Housing Advocacy. Housing Workshops are conducted weekly at our main office in San Jose and monthly at various community and senior center locations throughout the county. SVILC is requesting a small amount of CDBG funds from the City of Milpitas to offset our costs for providing this much needed assistance to Milpitas residents with disabilities. The City's portion is 3% of the total project budget; other funding is leveraged from the County, the Cities of Palo Alto, Santa Clara, Gilroy and Sunnyvale. With City of Milpitas support, we would also expand our community Housing Workshops to include Milpitas. However, without Milpitas CDBG funding or a reduced level of funding, SVILC would still provide 1:1 Housing Search Assistance to Milpitas residents with disabilities.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

No. This is our first CDBG application to the City of Milpitas.

Section C: Project Eligibility

Targeted Clientele: Low and Very low income Persons with Disabilities and Seniors with Disabling Conditions

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight

Urgent Need

Provide a concise description of the proposed project:

SVILC's Housing Services for Persons with Disabilities assists low-and very-low income Milpitas residents with disabilities in their housing search to secure integrated, affordable, and accessible housing. The program provides education/training on all aspects of how to conduct a housing search to transition from homelessness, health care facilities or unstable, temporary housing; includes workshops and access to IL (Independent Living) services to ensure long-term sustainability of the independent living solution. This occurs through one-on-one service provision, and group workshops and presentations. **SVILC will provide a combination of the following supportive housing services to 18 unduplicated, low-income Milpitas residents with disabilities:**

(1) **Housing Assessments, Information & Referral, and Landlord Mediation:** Provide subsidized and low income housing resources, assessments of consumer's housing units to determine accessibility of units for persons with disabilities, and offer mediation of landlord/tenant disputes, particularly when consumer is requesting necessary accessibility modifications;

2) **Housing Workshops:** Provide monthly community-based housing workshops and peer support groups in order to increase consumer knowledge of housing solutions for independent living;

(3) **Housing Search Assistance:** Successfully assist Milpitas residents with disabilities in their housing search for accessible, affordable, integrated housing to ensure their need of finding an independent living solution in the community is met;

(4) **Housing Advocacy:** Work with municipal housing departments, Project Sentinel, the Law Foundation, and the Housing Authority of the County of Santa Clara to ensure that people with disabilities' needs are considered when planning is coordinated for new housing or development improvement projects; Provide first month's rental assistance as funds are available.

The Housing Program for Persons with Disabilities Project meets the HUD Priorities for Public Service Activities by providing Housing services that benefit low- or extremely-low income seniors and persons with all disabilities of all ages. Housing services include housing search activities, tenant/landlord mediation, and providing supportive services to the following priority special populations: low income frail seniors and adults with disabilities have one or more physical, mental/emotional, sensory, or cognitive disabilities.

CDBG Criteria:

What criteria does your proposed project meet?

- (1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)
Persons with significant disabilities are presumed beneficiaries.
- (2) Limited Clientele (select from the options below):
 - (a) Special needs group
 - Abused children
 - Elderly persons 62 years or older (with disabling conditions)
 - Battered persons
 - Severely disabled adults (not children) as defined by the Census
 - Illiterate adults
 - Persons living with HIV/AIDS
 - Migrant farm workers
 - Homeless persons (with disabilities)
 - (b) At least 51% of clientele to be served will be documented as LMI
- (3) Housing (select from the options below):
 - Single Family (must be 100% LMI)
 - Multi-unit (must be 51% LMI)
- (4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures) County-wide	Projected Numbers (Future) County-wide	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	600	700	16
2. Cost Per Client Annually	\$361	\$382	\$382
3. How many are low- and very-low income?	100%	100%	100%
4. Will the proposed assistance result in increase in clients? State projected number.	N/A	70	2
5. What is the total number of unduplicated clients/households to be served?	630	700	18

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

N/A

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

SVILC serves Santa Clara County residents of all ages with all types of disabilities based on self-disclosure and requested need. Participants are screened for service eligibility during our Intake process and must provide appropriate documentation of their need for assistance (including personal income, race/ethnicity) and all necessary information is collected on the client intake form, including but not limited to disability status, contact information, emergency contact. SVILC establishes a file (both hardcopy and electronic) for each consumer receiving direct services. Personal data including demographics, income, race, etc. is maintained in SVILC's confidential and HIPAA-compliant CMIS system called NetCil for case management and reporting purposes.

NetCil tracks statistical and client data needed for grant /contract reporting plus hours of service and goals, outreach activities, Informational & Referral listings, and the type and number of Independent Living Plan goals that have been met. Files are annually reviewed for compliance and accuracy. Quantitatively, the NetCil database organizes consumer data for reporting results. Qualitatively, detailed service activities are tracked in case notes, and the Participatory Action Research (PAR), an interactive tool that engages participants in evaluating the services and outcomes.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

SVILC advertises our through the County 211 system, the yellow pages, the County's list of social service agencies, the County Senior Information Guide, Sourcwise COA, CA State Department of Rehabilitation, the State of CA (SILC) website, SVILC's website, local libraries, local hospitals and nursing facilities, and through social media. SVILC is also a founding member of the Aging Services Collaborative and SVCN. We also

participate in several senior and community fairs & festivals throughout the year, as well as youth transition fairs. Most consumers are referred through one or more of these agencies and sites

SVILC would also provide a web link for the City of Milpitas's housing services page. If funded through Milpitas CDBG, we would work with the Milpitas Senior and Community Centers to schedule quarterly agency presentations and housing workshops.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.



Signature of Executive Officer

2/5/2016

Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Housing Services for Persons with Disabilities (Silicon Valley Independent Living Center)

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	\$3,684	\$143,529	\$147,213	State, Federal and other CDBG
Benefits	\$444	\$36,357	\$36,801	State, Federal and other CDBG
Rent	\$2856	\$43,525	\$46,381	State, Federal and other CDBG
Telephone	\$0	\$2000	\$2,000	State
Postage	\$0	\$250	\$250	State
Printing (including Ads)	\$0	\$500	\$500	State
Supplies	\$0	\$1,260	\$1,260	State
Travel	\$0	\$500	\$500	State
Utilities	\$0	\$0	\$0	
Equipment & Maintenance	\$0	\$0	\$0	
Dues & Subscriptions	\$0	\$0	\$0	
Reasonable Accommodations	\$0	\$20,000	\$20,000	State
Contract Services	\$0	\$0	\$0	
Insurance	\$0	\$4,183	\$4,183	State
Conference	\$0	\$0	\$0	
Program Supplies	\$0	\$1,275	\$1,275	State
TOTAL	\$6,984	\$256,363	\$261,363	

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Housing Services for Persons with Disabilities (Silicon Valley Independent Living Center)

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Frances Merrill	15%	Provide Housing I & R and resources to Milpitas residents with disabilities	25 Milpitas residents annually Quarterly: 7, 6, 6, 6
Frances Merrill	15%	Schedule new SVILC consumers for Intake and weekly Housing Workshop (Fridays)	18 unduplicated Milpitas Consumers annually Quarterly: 5, 5, 4, 4
Frances Merrill	15%	Schedule new SVILC consumers for 1:1 Housing Assistance – develop an Independent Living Plan with short and long-term housing goals	18 duplicated Milpitas Consumers annually Quarterly: 5, 5, 4, 4
Frances Merrill	15%	Provide quarterly Housing Workshop at Milpitas Senior or Community Center	4 Workshops annually Quarterly: 1, 1, 1, 1

Contact skilled nursing facility administrators in Milpitas to inform them of our Housing Services and California Community Transitions Services through Medi-Cal. Provide orientation to SNF administrators and social workers.			x					x					x
--	--	--	---	--	--	--	--	---	--	--	--	--	---

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By: Sheri Burns Title: Executive Director

(Silicon Valley Independent Living Center)



BOARD RESOLUTION

Original

Amendment # _____

FULL Name of Corporation or Public Agency

SILICON VALLEY INDEPENDENT LIVING CENTER

WHEREAS, the Board of Directors or Board of Trustees of the above-named corporation or public agency does hereby authorize the following person:

Name of Person Authorized to Sign Agreement

Title of Person Authorized to Sign Agreement

Sheri Burns

Executive Director

of the above-named corporation or public agency on behalf of the corporation or public agency to negotiate, sign, execute and contractually bind the corporation or public agency including signing contracts, grant agreements, invoices, checks, reports, applications and all other business related documents for City of Milpitas CDBG funding and all amendments there to effective for the fiscal year 2016-17.

CERTIFICATION

I, the Recording Secretary named below, hereby certify that the foregoing resolution was duly and regularly adopted by the Board of Directors or Board of Trustees of above-named corporation or public agency at a meeting of said Board regularly called and convened at which a quorum of said Board of Directors or Board of Trustees was present and voting, and that said resolution was adopted by a vote of the majority of all Directors or Trustees present at said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand as Recording Secretary of said corporation or public agency.

Address Where Board Meeting Held

2202 North First Street, San Jose CA 96131

Date of Board Meeting

Signature of Recording Secretary

Date Signed

1/27/2016

Print: Patricia Kokes

2-5-16

**Silicon Valley
Independent Living
Center**

**Report on Audit of Financial Statements
with a Report on Internal Control
and Compliance**

June 30, 2015

CHAD HOESING CPA, INC.

TABLE OF CONTENTS

Independent Auditor's Report on Financial Statements	1 - 2
Statement of Financial Position	3 - 4
Combined Statement of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Combined Statement of Cash Flows	7
Notes to Financial Statements	8 - 10
Schedule of Expenditures of State and Federal Awards	11
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	12 - 13
Report on Compliance with Requirements Applicable to each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	14 - 15
Schedules of Findings, Questioned Costs and Corrective Action Plans	16

Chad Hoelsing, CPA, Inc.

Certified Public Accountant
Certified Management Accountant

The Board of Directors
Silicon Valley Independent Living Center
2202 North First Street
San Jose CA 95131

331 Soquel Ave. Ste. 205, Santa Cruz, CA 95062
Phone (831) 425-7193 Fax (831) 425-7198

Independent Auditor's Report

Report on Financial Statements

I have audited the accompanying financial statements of Silicon Valley Independent Living Center (a nonprofit organization) as of June 30, 2015, and the related statements of activities and cash flows for the year then ended and comparative totals as of June 30, 2014. These financial statements are the responsibility of the Silicon Valley Independent Living Center's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Silicon Valley Independent Living Center, as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended, and comparative totals as of June 30, 2014, in conformity with accounting principles generally accepted in the United States of America.

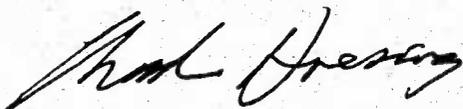
Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 my 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*, I have also issued my report on my consideration of Silicon Valley Independent Living Center's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Silicon Valley Independent Living Center's internal control over financial reporting and compliance.

Chad Hoelsing, CPA, Inc.



October 22, 2015

Silicon Valley Independent Living Center
Statement of Financial Position
As of June 30, 2015 and June 30, 2014

	Unrestricted Operating Fund	Temporarily Restricted Funds	Permanently Restricted Funds	Unrestricted Fixed Assets Fund	6/30/2015 Combined Funds	6/30/2014 Combined Funds
CURRENT ASSETS						
Cash	\$708,183	\$12,600			\$720,783	\$693,614
Grants & Accounts Receivable	176,751				176,751	178,471
Prepaid Expenses (Note 4)	61,749				61,749	61,419
TOTAL CURRENT ASSETS	946,683	12,600	0	0	959,283	933,504
FIXED ASSETS						
Building				137,411	137,411	137,411
Tenant Improvements				37,651	37,651	37,651
Equipment & Furniture				194,978	194,978	136,616
Less: Accumulated Depreciation				(257,902)	(257,902)	(234,664)
NET FIXED ASSETS	0	0	0	112,138	112,138	77,014
OTHER ASSETS						
Deposits (Note 5)	32,023				32,023	22,214
TOTAL ASSETS	\$978,706	\$12,600	\$0	\$112,138	\$1,103,444	\$1,032,732

See Accompanying Notes and Accountant's Report

Silicon Valley Independent Living Center
Statement of Financial Position
As of June 30, 2015 and June 30, 2014

	Unrestricted Operating Fund	Temporarily Restricted Funds	Permanently Restricted Funds	Unrestricted Fixed Assets Fund	6/30/2015 Combined Funds	6/30/2014 Combined Funds
CURRENT LIABILITIES						
Accounts Payable	\$20,312				\$20,312	\$6,614
Accrued Leave Time	32,429				32,429	37,752
BofW Line of Credit Payable (Note 6)					0	0
Deferred Revenue		12,600			12,600	60,333
TOTAL CURRENT LIABILITIES	52,741	12,600	0	0	65,341	104,699
LONG TERM LIABILITIES						
					0	0
TOTAL LIABILITIES	52,741	12,600	0	0	65,341	104,699
NET ASSETS						
Beginning Net Assets	851,019	0	0	77,014	928,033	891,457
Revenues in Excess (Deficient) of Expenses	134,764	0	0	(24,694)	110,070	36,576
Transfer to Fixed Asset Fund	(59,818)	0	0	59,818	0	0
ENDING NET ASSETS	925,965	0	0	112,138	1,038,103	928,033
TOTAL LIABILITIES AND NET ASSETS	\$978,706	\$12,600	\$0	\$112,138	\$1,103,444	\$1,032,732

See Accompanying Notes and Accountant's Report

Silicon Valley Independent Living Center
Combined Statement of Activities & Changes In Net Assets
For the Years Ended June 30, 2015 and June 30, 2014

	Unrestricted Operating Fund	Temporarily Restricted Funds	Permanently Restricted Funds	Unrestricted Fixed Assets Fund	6/30/2015 Combined Funds	6/30/2014 Combined Funds
REVENUES						
CA Dept of Rehabilitation		\$523,148			\$523,148	\$457,217
County of Santa Clara		331,469			331,469	328,763
US Dept. of Education		306,401			306,401	227,674
Independent Living Partnership		19,771			19,771	19,176
United Way		21,792			21,792	0
FEMA EFSP		26,719			26,719	20,932
Local Cities Dev. Block Grants		43,036			43,036	40,470
Foundation Grant	79,533				79,533	21,620
Donations	34,896				34,896	25,597
Medi-Cal Reimbursement	40,831				40,831	99,646
Medi-Cal Fee for Services	133,888				133,888	91,685
Interest Earned	791				791	685
Transition Rent	21,589				21,589	22,886
Net assets released from restrictions						
Restrictions satisfied by payments	1,272,336	(1,272,336)			0	0
Total Revenues	1,583,864	0	0	0	1,583,864	1,356,351
EXPENSES						
Salary Expense	776,086				776,086	665,469
Payroll Taxes & Employee Benefits	179,867				179,867	165,487
Rent	205,306				205,306	195,158
Maintenance	18,850				18,850	4,011
Telephone/Utilities	34,162				34,162	25,570
Travel/Mileage/Reasonable Accommodations	9,709				9,709	6,869
Insurance, including SUI	23,357				23,357	37,387
Employee Development	10,651				10,651	9,913
Office Expense	49,211				49,211	40,594
Outside Services	42,572				42,572	30,306
Bank Fees	879				879	728
Other Program Expenses	98,450				98,450	119,562
Depreciation Expense				24,694	24,694	18,721
Total Expenses	1,449,100	0	0	24,694	1,473,794	1,319,775
Operating Revenues in Excess (Deficient) of Expenses	134,764	0	0	(24,694)	110,070	36,576
Transfer to Fixed Asset Fund	(59,818)	0	0	59,818	0	0
Increase (Decrease) in Net Assets	74,946	0	0	35,124	110,070	36,576
Beginning Net Assets	851,019			77,014	928,033	891,457
Ending Net Assets	\$925,965	\$0	\$0	\$112,138	\$1,038,103	\$928,033

See Accompanying Notes and Accountant's Report

**Silicon Valley Independent Living Center
Statement of Functional Expenses
For the Year Ended June 30, 2015**

	Program Expenses	Management Expenses	Fundraising Expenses	6/30/2015 Combined Expenses
FUNCTIONAL EXPENSES				
Salary Expense	636,164	112,137	27,785	\$776,086
Payroll Taxes & Employee Benefits	148,399	22,768	8,701	\$179,868
Rent	144,489	47,608	13,208	\$205,305
Maintenance	18,850	0	0	\$18,850
Telephone/Utilities	33,663	350	150	\$34,163
Travel/Mileage/Reasonable Accomodations	9,016	466	226	\$9,708
Insurance	23,357	0	0	\$23,357
Employee Development	7,020	3,482	149	\$10,651
Office Expense	47,487	1,724	0	\$49,211
Outside Services	30,775	10,432	1,365	\$42,572
Bank Fees	879	0	0	\$879
Program Expense	96,650	1,351	449	\$98,450
Depreciation Expense	24,694	0	0	\$24,694
Total Functional Expenses	\$1,221,443	\$200,318	\$52,033	\$1,473,794

See Accompanying Notes and Accountant's Report

Silicon Valley Independent Living Center
Combined Statement of Cash Flows
For the Years Ended June 30, 2015 and June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Excess (Deficiency) of Revenues over Expenditures	<u>6/30/15</u> 110,070	<u>6/30/14</u> 36,576
Adjustment to Reconcile Excess (Deficiency) of Revenues over Expenditures to net cash provided by operating activities:		
Depreciation & Loss on Equipment Disposal	24,694	18,721
Decrease (Increase) in Receivables	1,720	(51,665)
Decrease (Increase) in Prepaid Expenses & Deposits	(10,139)	(845)
Increase (Decrease) in Accrued Expenses and Deferred Revenue	<u>(39,358)</u>	<u>57,763</u>
Net Cash Provided (Used) by Operating Activities	<u>86,987</u>	<u>60,550</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Increase (Decrease) in Loans Payable	0	0
--------------------------------------	---	---

CASH FLOWS FROM INVESTING ACTIVITIES

Net (Acquisition) Purchase of Equipment	<u>(59,818)</u>	<u>(13,338)</u>
Increase (Decrease) in Cash and Temporary Cash Investments	<u>27,169</u>	<u>47,212</u>
Cash and Temporary Cash Investments at beginning of year	693,614	646,402
Increase (Decrease) in Cash and Temporary Cash Investments	<u>27,169</u>	<u>47,212</u>
Cash and Temporary Cash Investments at end of year	<u>720,783</u>	<u>693,614</u>

See Accompanying Notes and Accountant's Report

Silicon Valley Independent Living Center
Notes to Financial Statements
As of June 30, 2015

NOTE 1. INTRODUCTION TO ORGANIZATION

Silicon Valley Independent Living Center is a public benefit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of California Revenue and Taxation Code. The IRS can audit the organization for three years after the due date of the annual IRS form 990. This organization was incorporated to provide services and programs to Santa Clara County residents with disabilities to optimize their opportunities to live independently. The organization's major sources of revenue include grants from the State of California Department of Rehabilitation, U.S. Department of Education, local governments, foundations and public donations.

Nature of Activities

Silicon Valley Independent Living Center (SVILC) is a nonprofit, 501(c)3 organization available to all persons with disabilities in Santa Clara County. The SVILC mission states that "SVILC is a cross-disability, intergenerational, and multicultural disability justice organization that creates fully inclusive communities that value the dignity, equality, freedom and worth of every human being. SVILC does this by building disability identity, culture and pride; creating opportunities for personal and community transformation; and partnering with others to ensure that civil and human rights are protected."

SVILC's consumer base encompasses some eighty different disabilities, including physical, mental/emotional, developmental, visual, and hearing impairments. As determined by HUD, 99% of SVILC consumers are in moderate to low income levels, with 90% in the very low level. SVILC offers peer-oriented Independent Living Services (ILS), peer counseling, individual and systemic advocacy, outreach and public education, and enforcement of civil rights on behalf of people with disabilities. There is no cost to consumers.

Program Services

SVILC provides a wide range of services designed to assist people with all disabilities of all ages to live independently in their communities, and all of SVILC services are free of charge. SVILC offers the following four core services: Information and Referral, Peer Support, Independent Living Skills Training, and Advocacy and other critical services such as:

California Community Transitions (CCT) Lead Organization:

SVILC is a Medi-Cal provider and Lead Organization in California's Money Follows the Person Rebalancing Demonstration. SVILC offers the transition coordination component of the California Community Transitions (CCT) program, which assists people with disabilities to transition from a nursing home or institution into living in the community.

Olmstead Implementation – Peer Mentoring Project:

In 2009, SVILC started the Olmstead transition project based on a peer counseling and mentoring approach, in which people who have successfully transitioned from nursing homes and institutions into the community share their knowledge and experience with those who wish to transition.

Housing Assistance:

SVILC's Housing Program is Santa Clara County's only housing referral/advocacy/placement service that serves the affordable, accessible housing needs of persons with disabilities.

Services for Youth with Disabilities:

SVILC offers an 8-week Leadership Training for youth with disabilities, participates in Disability Mentoring Day in October and Job Shadowing Day in February, holds monthly Youth Outreach Days, has a Youth Advisory Board; offers self-advocacy training for kids with disabilities (age 13 and under); and held a community forum for parents and families on how to transition from being an "advocate for" to an "ally with" your family member with a disability.

Silicon Valley Independent Living Center
Notes to Financial Statements
As of June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues are recorded when earned and expenditures are recorded when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification. Under generally accepted accounting principles, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the organization considers all unrestricted highly liquid investments with an initial maturity of six months or less to be cash equivalents.

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.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services usually on the basis of payroll allocations. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

Property and Equipment

Uses of operating funds for fixed asset acquisitions are accounted for as transfers to the fixed asset fund. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method with a five-year life.

Reclassifications

Certain accounts in the prior-year financial statements may have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Restricted and Unrestricted Contributions and Exchange Transactions

Contributions received are recorded as increases in unrestricted or temporarily restricted, depending on the existence and/or nature of any donor restrictions. The organization reports most grants and government contracts as exchange transactions under Accounting Standards Codification Section 958-605-55-8. Therefore amounts received in advance of fulfilling the grant or contract requirements are reported as deferred revenue.

Bad Debts

Bad debts are recorded using the direct write-off method whereby they are charged at the time management has determined them to be unrecoverable. Generally accepted accounting principles require that an allowance for bad debt be recorded, but the difference in the amount of bad debt recorded between the two methods is immaterial.

NOTE 3. LEASE COMMITMENTS

The organization leases office space at 2202-2210 North First Street, San Jose, CA. The term of the lease period is 84 full and one-half calendar months beginning January 15, 2010 and ending January 31, 2017. Base rent is currently \$15,760 per month. Minimum future lease payments are as follows based on annual increases of about 3.5%.

**Silicon Valley Independent Living Center
Notes to Financial Statements
As of June 30, 2015**

NOTE 3. (continued) LEASE COMMITMENTS

Fiscal Year End 6/30/16	191,838
Fiscal Year End 6/30/17 (7 months)	<u>114,125</u>
Total	<u>\$305,963</u>

The organization began leasing office space at 7881 Church Street, Suite C, Gilroy, CA on September 15, 2014. The term of the lease is five years with an option to renew for an additional five years. Base rent is currently \$811. Minimum future lease payments are as follows based on annual increases of 4.0%.

Fiscal Year End 6/30/16	9,670
Fiscal Year End 6/30/17	10,052
Fiscal Year End 6/30/18	10,456
Fiscal Year End 6/30/19	10,874
Fiscal Year End 6/30/20 (2 months)	<u>1,824</u>
Total	<u>\$42,876</u>

NOTE 4. PREPAID EXPENSES

The organization entered into a lease with the City of Santa Clara for land at 1597 Market Street, Santa Clara on March 10, 1990. The lease term is 55 years with \$80,000 in rent prepaid. Remaining prepaid balance as of June 30, 2015 is \$43,183. Other prepaid expense is for insurance.

NOTE 5. DEPOSITS

The organization paid a rental deposit of \$16,304 for the San Jose office space. The organization has a reserve balance of \$15,719 with the 501(c) Agency Trust (see Note 9 below).

NOTE 6. BANK OF THE WEST LINE OF CREDIT

The organization has a line of credit of \$200,000 initially at 6.75% with Bank of the West. There was a zero balance on this credit line at 6/30/15.

NOTE 7. RISKS OF CONCENTRATION OF GOVERNMENT 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.

NOTE 8. 403B PLAN

The organization offers a 403b retirement plan for employee-only contributions.

NOTE 9. UNEMPLOYMENT TRUST

The organization participates in the 501(c) Agency Trust for unemployment insurance in lieu of paying state unemployment insurance (SUI) directly to the EDD. The organization's reserve account balance at 6/30/15 was \$15,719. A large amount of unemployment claims charged against the organization would likely result in additional payment required from the organization to be paid to the trust. This amount cannot be estimated and no liability is recorded for it.

NOTE 10. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 22, 2015, the date of the management representation letter and of the audit report.

**Silicon Valley Independent Living Center
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2015**

	Contract Number	CFDA #	Current Year Total Revenues	Current Year Program Expenses
PROGRAMS:				
<u>Federal</u>				
Social Security Administration (SSA)				
CA Dept. of Rehab. AB 204 - Reimbursement from SSA	28420/28439	None	\$523,148	\$523,148
U.S. Dept. of HUD Pass-Through				
City of Gilroy CDBG	10-259-2621-5224-4226	14.218	13,000	\$13,000
City of Palo Alto CDBG	C14151493	14.218	5,221	\$5,221
City of Sunnyvale CDBG		14.218	9,817	\$9,817
City of Mountain View CDBG			4,998	\$4,998
County of Santa Clara CDBG	PS-15-20	14.218	10,000	\$10,000
U.S. Dept. of Education Pass-Through Rehabilitation Services Administration				
VIIC- Gilroy	H132A970013-13	84.132A	166,541	\$166,541
VIIC- San Jose	H132A010042-13	84.132A	128,903	\$128,903
Federal Emergency Management Agency Pass-Through United Way				
		97.024	26,719	\$26,719
<u>State</u>				
County of Santa Clara Human Services			238,590	\$238,590
County of Santa Clara Senior Care			50,661	\$50,661
County of Santa Clara Housing & Transition			42,218	\$42,218
TOTAL			\$1,219,816	\$1,219,816

**Notes To Schedule of Expenditures of State and Federal Awards
Year Ended June 30, 2015**

Note A- Basis of Presentation

This schedule of expenditures of state and federal awards includes the state and federal grant activity of Silicon Valley Independent Living Center under programs of the state and federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of Silicon Valley Independent Living Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Silicon Valley Independent Living Center.

Note B- 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 OMB Circular A-122, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C- CDBG

CDBG means Community Development Block Grant.

See Accompanying Notes and Accountant's Report

Chad Hoelsing, CPA, Inc.

Certified Public Accountant
Certified Management Accountant

331 Soquel Ave. Ste. 205, Santa Cruz, CA 95062
Phone (831) 425-7193 Fax (831) 425-7198

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
Silicon Valley Independent Living Center

We have audited the financial statements of Silicon Valley Independent Living Center as of and for the year ended June 30, 2015, and have issued our report thereon with the same date. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Silicon Valley Independent Living Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Silicon Valley Independent Living Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Silicon Valley Independent Living Center's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Silicon Valley Independent Living Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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.

This report is intended solely for the information and use of management, the audit committee, others within the entity, the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chad Hoelsing, CPA, Inc.



October 22, 2015

Chad Hoelsing, CPA, Inc.

Certified Public Accountant
Certified Management Accountant

331 Soquel Ave. Ste. 205, Santa Cruz, CA 95062
Phone (831) 425-7193 Fax (831) 425-7198

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited Silicon Valley Independent Living Center's compliance with the types of compliance requirements described in the U.S. office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of Silicon Valley Independent Living Center's major federal programs for the year ended June 30, 2015. Silicon Valley Independent Living Center's major federal programs and identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Silicon Valley Independent Living Center's management. Our responsibility is to express an opinion on Silicon Valley Independent Living Center's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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 Silicon Valley Independent Living Center'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. Our audit does not provide a legal determination of Silicon Valley Independent Living Center's compliance with those requirements.

In our opinion, Silicon Valley Independent Living Center complied, in all material respects, with the 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, 2015.

Internal Control Over Compliance

The management of Silicon Valley Independent Living Center is responsible for establishing and maintaining effective internal controls over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Silicon Valley Independent Living Center's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, 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 Silicon Valley Independent Living Center'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 managers 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 of 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chad Hoelsing, CPA, Inc.



October 22, 2015

**Silicon Valley Independent Living Center
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report used: unqualified

Internal control over financial reporting:

Material weakness(es) identified? no

Significant deficiencies identified that are not considered to be material weakness(es)? none reported

Noncompliance material to financial statements notes? no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? no

Significant deficiencies identified that are not considered to be material weakness(es)? none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Major Programs:

CFDA #: Name:

None CA Dept. of Rehabilitation AB 204 Reimbursement from Social Security Administration

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

FINDINGS-FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Terrace Gardens Senior Housing Inc. Date: 2/1/2016

Address: 186 Beresford Ct
Street Address *Suite Number*

Milpitas CA 95035
City *State* *ZIP Code*

Phone: 408-946-9034 Email: terracegar@jsco.net

Executive Director: Richard Ruth, Board of Directors President

Project Manager (PM): Marina Sanchez, Property Manager

PM's Phone: 408-946-9034 PM's Email: terracegar@jsco.net

DUNS #: 832316181

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

Terrace Gardens provides affordable housing for low income Senior Citizens.

Section B: Funding Request

Total funding requested for this project	\$ 5,000
Total cost of project	\$ 5,000
Other funds leverage for project i.e. Private Donations (estimation)	\$ 0
Other funds not secured by project	\$ 0
Are you getting County assistance, if so, please list	\$ 0

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Funds used from limited project reserves will be used to implement the project.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

2007-2008=\$150,000;
2009-2010= \$93,333;
2010-2011= \$93,951;
2011-2012= \$150,000;
2013-2014= \$108,000;
2014-2015= \$131,233.20;
2015-2016= \$112,713.25

Section C: Project Eligibility

Targeted Clientele: Low Income Senior Citizens

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

Terrace Gardens was originally built and began providing affordable housing to low income Senior Citizens during 1989. We are asking for \$5,000 to assist with community building, and doing two community events to benefit and engage our Senior's Community:

- 1- Summer Luau
- 2- Chinese New Year Celebration

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

- Abused children
- Elderly persons 62 years or older
- Battered persons
- Severely disabled adults (not children) as defined by the Census
- Illiterate adults
- Persons living with HIV/AIDS
- Migrant farm workers
- Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

- Single Family (must be 100% LMI)
- Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	184	184	100%
2. Cost Per Client Annually	\$27.00	\$27.00	100%
3. How many are low- and very-low income?	184	184	100%
4. Will the proposed assistance result in increase in clients? State projected number.	N/A	N/A	

5. What is the total number of unduplicated clients/households to be served?	184	184	100%
--	-----	-----	------

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Materials Only

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Applications are completed and proof of income is required (Social Security, Pension & etc). Race, Ethnic, Disability and Gender Reporting Form (voluntary information) included in the move-in packet.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

Residents apply, and are called via a wait list system. When there is a need, we will advertise in the Militias Post and Craigslist to fill occupancy.

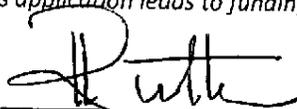
Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.



Signature of Executive Officer

Feb 3, 2016

Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Terrace Gardens Senior Housing, Inc.

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel				
Benefits				
Rent				
Telephone				
Postage				
Printing (including Ads)				
Supplies				
Travel				
Utilities				
Equipment & Maintenance				
Dues & Subscriptions				
Accounting Services				
Contract Services				
Insurance				
Conference				
Miscellaneous	\$5,000		\$5,000	Reserve Funds
TOTAL	\$5,000		\$5,000	Reserve Funds

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Terrace Gardens Senior Housing, Inc.

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Marina Sanchez	90%	On-Site Property Manager	We are asking for \$5,000 to assist with community building, and doing two community events to benefit and engage our Senior's Community: 1- Summer Luau 2- Chinese New Year Celebration

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: 2/3/2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Terrace Gardens Senior Housing, Inc.
 Project Coordinator: Marina Sanchez, Property Manager

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Community Engagement Project							X					

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Marina Sanchez Title Property Manager

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Terrace Gardens Senior Housing, Inc.

Date: 2/3/2016

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel													
Benefits													
Rent													
Telephone													
Postage													
Printing (incl. Ads)													
Supplies													
Travel													
Utilities													
Equip./Maintenance													
Dues & Subscriptions													
Accounting Services													
Contract Services													
Insurance													
Conference													
Miscellaneous													\$5,000
TOTAL													\$5,000

**RESOLUTION BY THE BOARD OF DIRECTORS OF
TERRACE GARDENS, INC.**

A California Nonprofit Public Benefit Corporation

WHEREAS, Terrace Gardens, Inc. wishes to submit Community Development Block Grant (CDBG) applications to the City of Milpitas for 2016-2017 funding for the LED Light Project and Community Engagement Project for Terrace Gardens.

WHEREAS, Terrace Gardens, Inc. is a California Nonprofit Public Benefit Corporation (501c3) and is willing to accept such funding should it be awarded; and

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of Terrace Gardens, Inc. hereby authorizes the President, Richard Ruth, to submit applications and execute all documents pertaining to such applications; to sign all certifications, contracts, amendments to contracts and reimbursement request pertaining to the application and any contract agreement between Terrace Gardens, Inc. and The City of Milpitas, California.

The number of members who voted affirmatively for the adoption of the resolution was 6 and the number of members consisting of a quorum is five (5).

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Terrace Gardens, Inc., a California Nonprofit Public Benefit Corporation, and that the foregoing Resolution was duly adopted at the phone and email communications of the Board of Directors the last week of January 2016.

IN WITNESS WHEREOF, I have hereunto subscribed my name on the 4th day of February, 2016 at Milpitas, California.

 2/4/16

Nasir Lalani, Secretary/Treasurer

Terrace Gardens
Monthly Report For Establishing Net Income
For The Month of December 31, 2015

Operating Cash on Hand - Beginning of Month \$63,674.29

Operating Deposits:

Rent-Tenants	\$91,543.00
Rent-HAP	21,963.00
Resident Meals	41,522.50
Laundry Income	287.59
NSF/Late Fees	45.00
Maint.Damages & Cleaning Fees	
Guest Units	1,500.00
Credit Report Fees	-
Tenant utility reimbursement	
Key/ lock Replacement Fee	50.00
NSF	
Security Deposit Retained	
Security Deposit to be refunded to tenants	
Othe/Misc.:	
Othe/Misc.:	
Panel	

Subtotal Operating Collections \$156,911.09

Other Deposits:

Other: Money Mkt Interest earned	0.80
Other:Record Dep. Trf from Repl.Rsv	78,500.00

Total Deposits \$235,411.89

Total Cash Available \$299,086.18

Disbursements:

Checking Account Disbursements	226,699.26
Other:	

Total Disbursements 226,699.26

Operating Cash on Hand - End of Month 67,689.97

Operating Money Market Balance 4,696.95

Total Operating Cash \$72,386.92

Accounts Payable (invoices received)	\$ 77,021.11
Accrued Accounts Payable	\$ 16,573.77
Accrued Accounts Payable Wages	\$ 10,528.11

Monthly Gross Potential	119,166.00
Administrative Units	1,240.00
Vacancy Loss	-
Accounts Receivable	15.00
Accounts Receivable - Other Subsidy	4,431.00
Prepaid Rents	4.00

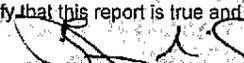
Units Occupied	148
Staff	2
Units Vacant	-
Total Units	<u>150</u>

Vacant Unit #s EOM:

Security Deposit Liability	77,100.00
Security Deposit Funded to Date	<u>77,433.49</u>
Interest	<u>333.49</u>

Over/(Under) Funded 0.00

I hereby certify that this report is true and correct to the best of my knowledge.

Signature: 

Date: January 20, 2016

Title: Teresa Scofield, Staff Accountant, The John Stewart Company, Managing Agent

 1/21/16

Terrace Gardens
Schedule of Cash & Reserve Accounts
For The Month Of December 31, 2015

General Ledger	Type Of Account	Bank Name	Account Number	Maturity Date	Beginning Balance	Deposits NSF Checks	Disbursements	Ending Balance	
1120.000 TRGCP	Checking	CitiBank	****6711 NSF/VOID		58,978.14	235,411.09	226,699.26	67,689.97	205006711
1122.000 TRGCM 5410	Money Market APY=0.200%	Citibank	****6729		4,696.15	0.80		4,696.95	205006729
Total Operating Cash					63,674.29	235,411.89	226,699.26	72,386.92	
1191.000 TRGSD	Checking	CitiBank	****6737		76,933.49	500.00		77,433.49	205006737
Total Security Deposit Cash					76,933.49	500.00	-	77,433.49	
1320-010 TRGRR 5440	Money Market APY=0.05%	Union Bank	****0182		115,380.18	3.39	78,500.00	36,883.57	0053890182
1320.020 TRGR1 5440	Money Market APY=0.200%	Citibank	****6293		42,099.95	7.15		42,107.10	0205146293
1320.032 TRGR7 5440	Savings 0.06%	Wells Fargo	****2619		176,677.03	38,994.58 10.16		215,681.77	7455042619
1320-034 TRGR9 5440	CD APY=0.35%	United Security <i>No Statement rec'd</i>	****0445	03/27/16	245,962.75			245,962.75	136130445
1320.036 TRGRB	CD 0.4%	Lighthouse Bank	****0180	3/18/16	248,060.88	81.87		248,142.75	100180
1320.037 TRGRC	CD APY=0.250%	Heritage Bank <i>No Statement rec'd</i>	****5363	09/13/16	70,293.78			70,293.78	1905363
1320.038 TRGRD	CD	First Republic Bank <i>No Statement rec'd</i>	****0685		107,030.03			107,030.03	00500020685
1320.042 TRGR5	CD	Santa Cruz Co.Bank 9 mo.CD <i>No Statement rec'd</i>	****5141	03/19/16	216,179.72			216,179.72	175141
Total Replacement Reserves					1,221,684.32	39,097.16	78,500.00	1,182,281.47	
1390.040 TRGMS 5410	Money Market APY=0.200%	Citibank	****6745		795.14	- 0.14	-	795.28	205006745
Total Carillon Memorial Fund					795.14	0.14	-	795.28	
Grand Total Cash Accounts					\$ 1,363,087.24	\$ 275,009.18	\$305,199.26	\$ 1,332,897.16	

Database: JOHNSTEWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch

Page: 1
 Date: 1/21/2016
 Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check #	Entity	Check Date	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
16627	TRG02	12/7/2015	11/15	ECO206		*** VOID **	Voided Check			
		Hve to remit to		6519-000	Pest -Supp & Contracts	6768087	11/12/2015	11/12/2015	-556.00	-556.00
							Check Total:		-556.00	-556.00
16634	TRG02	12/4/2015	12/15	ASHSTE		Ashley Stewart				
		Oct'15CellPhne		6360-000	Tel. & Answering Service	Cell/Oct	11/19/2015	11/19/2015	22.50	22.50
							Check Total:		22.50	22.50
16635	TRG02	12/4/2015	12/15	ATTUVE		AT&T - 5014				
		11/16/15-12/15/15		6360-000	Tel. & Answering Service	145618304	12/3/2015	12/6/2015	40.00	40.00
							Check Total:		40.00	40.00
16636	TRG02	12/4/2015	12/15	COM124		Comcast -34744				
		11/24/15-12/23/15		6390-000	Misc. Admin. Expenses	0376753	11/19/2015	12/11/2015	30.26	30.26
							Check Total:		30.26	30.26
16637	TRG02	12/4/2015	12/15	CONGEN		Communications Genl Answering Svc				
		Svc 12/1/15-12/31/15		6360-000	Tel. & Answering Service	151110287	12/1/2015	12/15/2015	98.00	98.00
		HolidayCharge		6360-000	Tel. & Answering Service	151110287	12/1/2015	12/15/2015	1.95	1.95
							Check Total:		99.95	99.95
16638	TRG02	12/4/2015	12/15	HOMSUP		HD Supply Facilities Maintenance				
		LightBibs&Batteries		6541-000	Repairs Materials/Supp	9141622172	11/5/2015	12/5/2015	74.88	74.88
		CrpShmpo,Soap,SlIPad		6515-000	Janitorial Supplies	9141492251	10/30/2015	11/29/2015	120.55	120.55
		Ctrfdrg,20Wbib,CntGel		6541-000	Repairs Materials/Supp	9141492251	10/30/2015	11/29/2015	164.54	164.54
							Check Total:		359.97	359.97
16639	TRG02	12/4/2015	12/15	JENSMI		Jennifer Smith				
		Mileage10/1-10/22/15		6385-000	Mileage/Travel	Mileage	11/6/2015	11/6/2015	2.45	2.45
							Check Total:		2.45	2.45
16640	TRG02	12/4/2015	12/15	JSCMGT		The John Stewart Company				
		Nov'15 Mgmt Fee		6320-000	Management Fees	TRG/MgmtFee	11/30/2015	11/30/2015	4,972.79	4,972.79
		Nov'15 Acctg' Fee		6351-000	Bookkeeping Services	TRG/MgmtFee	11/30/2015	11/30/2015	1,224.00	1,224.00
		Copy&Pstg10/21-11/20		6311-000	Office Expenses	TRG/MgmtFee	11/30/2015	11/30/2015	41.88	41.88

Database: JOHNSTEWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch

Page: 2
 Date: 1/21/2016
 Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check # Entity	Check Date Reference	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
TRG02	FedExDelV10/15,10/29		6311-000	Office Expenses	TRGMgmtFee	11/30/2015	11/30/2015	46.30	46.30
					<i>Check Total:</i>			6,284.97	6,284.97
16641	12/4/2015	12/15	LANUSA	LandCare USA LLC	8023945	11/1/2015	12/1/2015	1,343.00	1,343.00
TRG02	Nov'15 Landscape Svc		6537-000	Landscape Contracts				1,343.00	1,343.00
					<i>Check Total:</i>			1,343.00	1,343.00
16642	12/4/2015	12/15	MILPIT	Sewer	2012365	11/23/2015	12/14/2015	11,963.70	11,963.70
TRG02	8/28/15-10/27/15		6453-000	City Of Milpitas				11,963.70	11,963.70
					<i>Check Total:</i>			11,963.70	11,963.70
16643	12/4/2015	12/15	MSANCH	Tel. & Answering Service	Cell/Oct	11/30/2015	11/30/2015	60.00	60.00
TRG02	Oct'15CellPhneReimb		6360-000	Marina Sanchez				60.00	60.00
					<i>Check Total:</i>			60.00	60.00
16644	12/4/2015	12/15	PACGAS	Electricity	9886396791-9	11/24/2015	12/11/2015	519.77	519.77
TRG02	BldgE-F 10/26-11/23		6450-000	Pacific Gas & Electric				519.77	519.77
TRG02	10/26/15-11/23/15		6450-000	Electricity	0072643988-8	11/24/2015	12/11/2015	1,136.49	1,136.49
TRG02	BldgG 10/26-11/23/15		6450-000	Electricity	2203538975-2	11/24/2015	12/11/2015	1,167.05	1,167.05
TRG02	BldgA 10/26-11/23/15		6450-000	Electricity	2231937481-9	11/24/2015	12/11/2015	252.43	252.43
TRG02	BldgC-D 10/26-11/23		6450-000	Electricity	3902245193-2	11/24/2015	12/11/2015	238.89	238.89
					<i>Check Total:</i>			3,314.63	3,314.63
16645	12/4/2015	12/15	SJMERC	Misc. Admin. Expenses	541010	10/28/2015	10/28/2015	143.00	143.00
TRG02	10/17/15-1/15/16		6390-000	San Jose Mercury News				143.00	143.00
					<i>Check Total:</i>			143.00	143.00
16646	12/4/2015	12/15	STA690	Office Expenses	3283011703	10/31/2015	11/30/2015	111.05	111.05
TRG02	Clndr,Tissu,Cmrr,lnk		6311-000	Staples Advantage				111.05	111.05
					<i>Check Total:</i>			111.05	111.05
16647	12/4/2015	12/15	TRGOPS	Cash Offset	Repl Resv	12/1/2015	12/1/2015	24,994.58	24,994.58
TRG02	Monthly Repl Resv		1128-000	Terrace Gardens				24,994.58	24,994.58

Database: JOHNSTEWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch

Page: 3
 Date: 1/21/2016
 Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check #	Check Date	Check Pd	Vendor	Account	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
16648	12/11/2015	12/15	AIRCOM						
TRG02	11/01/15-11/30/15		6546-000	Heating/Cooling Repairs	773679	11/1/2015	11/1/2015	1,284.00	1,284.00
Check Total:									24,994.58
16649	12/11/2015	12/15	ALLDRA						
TRG02	DrapesForE202		6541-000	Allied Drapery Service	15-0693	11/16/2015	11/16/2015	255.56	255.56
Check Total:									255.56
16650	12/11/2015	12/15	ASHSTE						
TRG02	Nov'15CellPhnReimb		6360-000	Ashley Stewart		12/1/2015	12/1/2015	22.50	22.50
Check Total:									22.50
16651	12/11/2015	12/15	ATTUVE						
TRG02	Internt 11/24-12/23		6360-000	Tel. & Answering Service	145350090	11/23/2015	12/14/2015	60.88	60.88
Check Total:									60.88
16652	12/11/2015	12/15	CALJAN						
TRG02	PprTwls,CanLiner		6515-000	California Janitorial Suppl	054666	10/13/2015	10/13/2015	300.62	300.62
TRG02	ToiletPpr,PprTwls		6515-000	Janitorial Supplies	055069	11/30/2015	11/30/2015	339.88	339.88
TRG02	Lintrs,ToilnPpr,Twls		6515-000	Janitorial Supplies	055644	11/30/2015	11/30/2015	291.44	291.44
Check Total:									931.94
16653	12/11/2015	12/15	GREBUS						
TRG02	2NonSmkg'Signs,Forms		6311-000	Great American Business Products	4083469	11/25/2015	11/25/2015	190.00	190.00
TRG02	Credit		6311-000	Office Expenses	4083469	11/25/2015	11/25/2015	-76.00	-76.00
Check Total:									114.00
16654	12/11/2015	12/15	JENSMI						
TRG02	Mileage 11/1-11/30		6385-000	Mileage/Travel		12/2/2015	12/2/2015	3.85	3.85
Check Total:									3.85
16655	12/11/2015	12/15	MCASTA						
Check Total:									3.85

Database: JOHNSTEWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch

Page: 4
 Date: 1/21/2016
 Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check # Entity	Check Date Reference	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
TRG02	Milge9/2,10/15,10/22		6385-000	Mileage/Travel	MileageReimb	12/2/2015	12/2/2015	21.86	21.86
Check Total: 21.86									
16656	12/11/2015	12/15	MILPIT						
TRG02	BusLic 1/1-12/31/16		6790-000	Misc.Licenses/Permits	35534	12/1/2015	1/31/2016	12.77	12.77
TRG02	BusLic 1/1-12/31/16		6790-000	Misc.Licenses/Permits	35535	12/11/2015	1/31/2016	504.77	504.77
Check Total: 517.54									
16657	12/11/2015	12/15	MSANCH						
TRG02	Nov'15CellPIneReimb		6360-000	Tel. & Answering Service	Cell/Nov	11/30/2015	11/30/2015	60.00	60.00
Check Total: 60.00									
16658	12/11/2015	12/15	PACGAS						
TRG02	RecRm 10/27-11/24/15		6452-000	Gas	4865789648-5	11/25/2015	12/16/2015	620.42	620.42
TRG02	BldgE&F 10/27-11/24		6452-000	Gas	5407456280-9	11/25/2015	12/16/2015	246.07	246.07
TRG02	BldgB 10/27-11/24/15		6452-000	Gas	9001127825-7	11/25/2015	12/16/2015	77.13	77.13
TRG02	BldgB 10/27-11/24/15		6450-000	Electricity	3074142913-5	11/25/2015	12/16/2015	120.24	120.24
TRG02	BldgA 10/27-11/24/15		6452-000	Gas	3157476241-0	11/25/2015	12/16/2015	83.26	83.26
TRG02	BldgC&D 10/27-11/24		6452-000	Gas	3699123056-0	11/25/2015	12/16/2015	155.48	155.48
Check Total: 1,302.60									
16659	12/11/2015	12/15	REPSER						
TRG02	11/1/15-11/30/15		6525-000	Garbage Removal	915000833588	11/28/2015	12/18/2015	3,367.84	3,367.84
Check Total: 3,367.84									
16660	12/11/2015	12/15	SBC887						
TRG02	Svc 11/26-12/25/15		6360-000	Tel. & Answering Service	4082621636	11/26/2015	12/21/2015	181.94	181.94
TRG02	Svc 11/26-12/25/15		6360-000	Tel. & Answering Service	4082622873	11/26/2015	12/21/2015	104.97	104.97
TRG02	Svc 11/26-12/25/15		6360-000	Tel. & Answering Service	4082621572	11/26/2015	12/21/2015	89.93	89.93
TRG02	Svc 11/23-12/22/15		6360-000	Tel. & Answering Service	4089469034	11/23/2015	12/17/2015	307.61	307.61
TRG02	Svc 11/26-12/25/15		6360-000	Tel. & Answering Service	4082624029	11/26/2015	12/21/2015	47.31	47.31
Check Total: 731.76									
16661	12/11/2015	12/15	STOMOS						
TRG02	Milage 10/20, 11/2		6385-000	Mileage/Travel	Milage	12/2/2015	12/2/2015	20.70	20.70
TRG02	Nov'15 Cell Reimb		6360-000	Tel. & Answering Service	NovCellPIne	11/25/2015	11/25/2015	60.00	60.00

Database: JOHNSTEMWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch
 12/1/2015 Through 12/31/2015

Page: 5
 Date: 1/21/2016
 Time: 11:10 AM

Check #	Entity	Check Date	Check Pd Reference	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
16662	TRG02	12/11/2015	12/15 Misc Recreationl Reimb	TERGAR 6992-000	Recreational Supplies	ChkReq12/3	11/30/2015	11/30/2015	530.32	530.32
Check Total:										80.70
16663	TRG02	12/21/2015	12/15 Dec'15 Copier Lease	CITTEC 6311-000	Office Expenses	27860926	12/5/2015	12/5/2015	283.19	283.19
Check Total:										283.19
16664	TRG02	12/21/2015	12/15 Pest Svc 12/9/15	ECO206 6519-000	Pest -Supp & Contracts	6922377	12/9/2015	12/9/2015	556.00	556.00
TRG02			12/15 Pest Svc 11/12/15	6519-000	Pest -Supp & Contracts	6768087	11/12/2015	11/12/2015	556.00	556.00
Check Total:										1,112.00
16665	TRG02	12/21/2015	12/15 2NonSmkggSigns	GREBUS 6311-000	Office Expenses	4087052	12/7/2015	12/7/2015	83.90	83.90
TRG02			Credit	6311-000	Office Expenses	4087052	12/7/2015	12/7/2015	-33.56	-33.56
Check Total:										50.34
16666	TRG02	12/21/2015	12/15 ThrmStats,Blbs,Anchr	HOMSUP 6541-000	Repairs Materials/Supp	9142214808	12/4/2015	1/3/2015	122.59	122.59
Check Total:										122.59
16667	TRG02	12/21/2015	12/15 Dec'15 Landscape Svc	LANUSA 6537-000	Landscape Contracts	8031123	12/1/2015	12/31/2015	1,343.00	1,343.00
Check Total:										1,343.00
16668	TRG02	12/21/2015	12/15 11/1/15-11/30/15	MORMAN 6930-000	Food Service Costs	107422015120	12/2/2015	12/2/2015	41,587.50	41,587.50
Check Total:										41,587.50
16669	TRG02	12/21/2015	12/15 BldgG 11/4-12/3/15	PACGAS 6452-000	Gas	4824142801-9	12/3/2015	12/3/2015	936.33	936.33

Database: JOHNSTEWART
BANK: TRGOP

Check Register
Terrace Gardens Operating Account
Citibank #783, S Oaks-V Nuys Branch
12/1/2015 Through 12/31/2015

Page: 6
Date: 1/21/2016
Time: 11:10 AM

Check #	Entity	Check Date	Check Pd	Vendor	Account	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
16670	TRG02	12/21/2015	12/15	RFI000	Prepaid - Miscellaneous	534333	12/15/2015	1/14/2015	188.10	188.10
		1/11/16-3/31/16		1280-000						
Check Total: 936.33										
16671	TRG02	12/21/2015	12/15	SVLOCK	Security Supplies	102073	7/31/2015	7/31/2015	257.99	257.99
		Keys&CylindrChngs		6532-000	Silicon Valley Lockmasters, Inc.					
Check Total: 257.99										
16672	TRG02	12/21/2015	12/15	TRGOPS	Cash Offset		12/31/2015	12/31/2015	7,000.00	7,000.00
		RfndRsvWthDnw10/20		1128-000	Terrace Gardens					
		RfndRsvWthDnw10/20		1128-000	Cash Offset		11/30/2015	11/30/2015	7,000.00	7,000.00
Check Total: 14,000.00										
16673	TRG02	12/21/2015	12/15	TYCINT	Prepaid - Miscellaneous	25592425	12/5/2015	12/5/2015	143.60	143.60
		01/01/16-03/31/16		1280-000	Tyco Integrated Security LLC					
Check Total: 143.60										
16674	TRG02	12/21/2015	12/15	URBBRO	Exterior Replacements	10031151115	11/15/2015	11/15/2015	19,625.00	19,625.00
		FinalBillingWorkDone		7240-000	Urban Painting Inc.					
		PgrsBillingForWrkDne		7240-000	Exterior Replacements	10032151030	10/30/2015	10/30/2015	58,875.00	58,875.00
Check Total: 78,500.00										
P15251TRG	TRG02	12/18/2015	12/15	JSCPAY	On-Site Administrative PR	PP1525-1TRG	12/4/2015	12/18/2015	1,450.00	1,450.00
		PP25-1 XMAS Bonus		6310-000	The John Stewart Company					
		PP25-1 XMAS Bonus		6330-000	Payroll - Manager	PP1525-1TRG	12/4/2015	12/18/2015	1,000.00	1,000.00
		PP25-1 XMAS Bonus		6510-000	Payroll - Maintenance	PP1525-1TRG	12/4/2015	12/18/2015	1,450.00	1,450.00
		PP25-1 XMAS Bonus		6512-000	Payroll - Janitor	PP1525-1TRG	12/4/2015	12/18/2015	800.00	800.00
		PP25-1 XMAS Bonus		6711-000	Payroll Taxes	PP1525-1TRG	12/4/2015	12/18/2015	359.55	359.55
		PP25-1 XMAS Bonus		6311-000	Office Expenses	PP1525-1TRG	12/4/2015	12/18/2015	78.78	78.78
		PP25-1 XMAS Bonus		6722-000	Workers Comp.	PP1525-1TRG	12/4/2015	12/18/2015	192.50	192.50
Check Total: 5,330.83										
P15251TRG	TRG02	12/31/2015	12/15	JSCPAY					5,330.83	5,330.83
The John Stewart Company *** VOI Voided Check										

Database: JOHN STEWART
BANK: TRGOP

Check Register
Terrace Gardens Operating Account
Citibank #783, S Oaks-V Nuys Branch
12/1/2015 Through 12/31/2015

Page: 7
Date: 1/21/2016
Time: 11:10 AM

Check # Entity	Check Date Reference	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
TRG02	PP15-26-1	TaxAdjust	6711-000	Payroll Taxes	PP15-26-1TRG	12/18/2015	12/18/2015	945.00	945.00
TRG02	PP15-26-1	FeeAdjust	6311-000	Office Expenses	PP15-26-1TRG	12/18/2015	12/18/2015	14.22	14.22
TRG02	HAS TO BE	PHYSICAL	6711-000	Payroll Taxes	PP15-26-1TRG	12/18/2015	12/18/2015	-945.00	-945.00
TRG02	HAS TO BE	PHYSICAL	6311-000	Office Expenses	PP15-26-1TRG	12/18/2015	12/18/2015	-14.22	-14.22
<i>Check Total: 0.00</i>									
P1526TRG0 12/24/2015 12/15									
JSCPAY									
TRG02	PP15 12/5-12/18/15		6310-000	On-Site Administrative PR	PP15-26/TRG	12/18/2015	12/18/2015	2,550.04	2,550.04
TRG02	PP15 12/5-12/18/15		6330-000	Payroll - Manager	PP15-26/TRG	12/18/2015	12/18/2015	2,216.72	2,216.72
TRG02	PP15 12/5-12/18/15		6510-000	Payroll - Maintenance	PP15-26/TRG	12/18/2015	12/18/2015	3,715.40	3,715.40
TRG02	PP15 12/5-12/18/15		6512-000	Payroll - Janitor	PP15-26/TRG	12/18/2015	12/18/2015	1,180.80	1,180.80
TRG02	PP15 12/5-12/18/15		6711-000	Payroll Taxes	PP15-26/TRG	12/18/2015	12/18/2015	736.22	736.22
TRG02	PP15 12/5-12/18/15		6311-000	Office Expenses	PP15-26/TRG	12/18/2015	12/18/2015	189.84	189.84
TRG02	PP15 12/5-12/18/15		6722-000	Workers Comp.	PP15-26/TRG	12/18/2015	12/18/2015	416.49	416.49
TRG02	PP15 12/5-12/18/15		6723-000	Health Ins. / EE Benefits	PP15-26/TRG	12/18/2015	12/18/2015	1,267.96	1,267.96
									12,273.47
<i>Check Total: 12,273.47</i>									
PP1525TRG 12/11/2015 12/15									
JSCPAY									
TRG02	PP25 11/21-12/4/15		6310-000	On-Site Administrative PR	PP15-25/TRG	12/4/2015	12/4/2015	2,748.48	2,748.48
TRG02	PP25 11/21-12/4/15		6330-000	Payroll - Manager	PP15-25/TRG	12/4/2015	12/4/2015	2,222.24	2,222.24
TRG02	PP25 11/21-12/4/15		6510-000	Payroll - Maintenance	PP15-25/TRG	12/4/2015	12/4/2015	3,724.82	3,724.82
TRG02	PP25 11/21-12/4/15		6512-000	Payroll - Janitor	PP15-25/TRG	12/4/2015	12/4/2015	1,180.80	1,180.80
TRG02	PP25 11/21-12/4/15		6711-000	Payroll Taxes	PP15-25/TRG	12/4/2015	12/4/2015	752.55	752.55
TRG02	PP25 11/21-12/4/15		6311-000	Office Expenses	PP15-25/TRG	12/4/2015	12/4/2015	193.39	193.39
TRG02	PP25 11/21-12/4/15		6722-000	Workers Comp.	PP15-25/TRG	12/4/2015	12/4/2015	424.67	424.67
TRG02	PP25 11/21-12/4/15		6723-000	Health Ins. / EE Benefits	PP15-25/TRG	12/4/2015	12/4/2015	1,267.96	1,267.96
									12,514.91
<i>Check Total: 12,514.91</i>									
PP1526TRG 12/18/2015 12/15									
JSCPAY									
TRG02	PP15 12/5-12/18/15		6310-000	On-Site Administrative PR	PP15-26/TRG	12/18/2015	12/18/2015	2,550.04	2,550.04
TRG02	PP15 12/5-12/18/15		6330-000	Payroll - Manager	PP15-26/TRG	12/18/2015	12/18/2015	2,216.72	2,216.72
TRG02	PP15 12/5-12/18/15		6510-000	Payroll - Maintenance	PP15-26/TRG	12/18/2015	12/18/2015	3,715.40	3,715.40
TRG02	PP15 12/5-12/18/15		6512-000	Payroll - Janitor	PP15-26/TRG	12/18/2015	12/18/2015	1,180.80	1,180.80
TRG02	PP15 12/5-12/18/15		6711-000	Payroll Taxes	PP15-26/TRG	12/18/2015	12/18/2015	736.22	736.22
TRG02	PP15 12/5-12/18/15		6311-000	Office Expenses	PP15-26/TRG	12/18/2015	12/18/2015	189.84	189.84
TRG02	PP15 12/5-12/18/15		6722-000	Workers Comp.	PP15-26/TRG	12/18/2015	12/18/2015	416.49	416.49
TRG02	PP15 12/5-12/18/15		6723-000	Health Ins. / EE Benefits	PP15-26/TRG	12/18/2015	12/18/2015	1,267.96	1,267.96
TRG02	TO CHANGE DATE		6310-000	On-Site Administrative PR	PP15-26/TRG	12/18/2015	12/18/2015	-2,550.04	-2,550.04

Database: JOHNSTEWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch

Page: 8
 Date: 1/21/2016
 Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check #	Entity	Check Date Reference	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
TRG02		TO CHANGE DATE		6330-000	Payroll - Manager	PP15-26/TRG	12/18/2015	12/18/2015	-2,216.72	-2,216.72
TRG02		TO CHANGE DATE		6510-000	Payroll - Maintenance	PP15-26/TRG	12/18/2015	12/18/2015	-3,715.40	-3,715.40
TRG02		TO CHANGE DATE		6512-000	Payroll - Janitor	PP15-26/TRG	12/18/2015	12/18/2015	-1,180.80	-1,180.80
TRG02		TO CHANGE DATE		6711-000	Payroll Taxes	PP15-26/TRG	12/18/2015	12/18/2015	-736.22	-736.22
TRG02		TO CHANGE DATE		6311-000	Office Expenses	PP15-26/TRG	12/18/2015	12/18/2015	-189.84	-189.84
TRG02		TO CHANGE DATE		6722-000	Workers Comp.	PP15-26/TRG	12/18/2015	12/18/2015	-416.49	-416.49
TRG02		TO CHANGE DATE		6723-000	Health Ins. / EE Benefits	PP15-26/TRG	12/18/2015	12/18/2015	-1,267.96	-1,267.96
Check Total:										
									0.00	0.00
Citibank #783, S Oaks-V Nuys Branch Total:									226,143.26	226,143.26
Grand Total:									226,143.26	226,143.26

Open Status Report
 Terrace Gardens

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period	
<i>Expense Period: 12/15</i>											
Vendor: AAFIRE AA Fire Systems, Inc.											
7634	11/16/2015	TRG150246	Quarterly Fire System	6533-000	750.00	0.00	750.00	1/4/2016	16675	01/16	
Vendor: AARPLU Aaron Plumbing											
12/28/2015	12/28/2015	TRG150287	Pumped Grease Traps	6543-000	375.00	0.00	375.00	1/15/2016	16702	01/16	
Vendor: AIRCOM Airco Commercial Services Inc											
774024	12/1/2015		12/1/15-12/31/15	6546-000	1,284.00	0.00	1,284.00	1/4/2016	16676	01/16	
Vendor: ASHSTE Ashley Stewart											
Cell/Dec	1/5/2016		Dec'15 CellPhone	6360-000	22.50	0.00	22.50	1/15/2016	16704	01/16	
Vendor: ATTUVE AT&T - 5014											
145618304	12/15/2015		12/16/15-1/15/16	6360-000	40.00	0.00	40.00	1/4/2016	16677	01/16	
Vendor: CARJAN Carlos Janitorial Services											
400002	12/30/2015	TRG150286	Paint #B101	6560-000	499.00	0.00	499.00	1/15/2016	16705	01/16	
Vendor: CARNCA Carnation Carpet Cleaning											
1361	12/31/2015	TRG150289	Shampoo #A105	6517-000	70.00	0.00	70.00	1/15/2016	16706	01/16	
Vendor: CHAPLU Champion Plumbing											
51180	12/10/2015	TRG150275	SnakeDrainMngera Unit	6543-000	131.25	0.00	131.25	1/4/2016	16678	01/16	
52479	11/11/2015	TRG150261	Snake C201 Tub	6543-000	102.50	0.00	102.50	1/4/2016	16678	01/16	
Vendor: COSRET Costco Retail Services											
005757	12/2/2015	TRG150270	Towels,Detrgnt	6515-000	50.65	0.00	50.65	1/11/2016	16694	01/16	

Database: JOHNSTEWART

Open Status Report

Page: 2

ENTITY: TRG02

Terrace Gardens

Date: 1/21/2016

Time: 11:11 AM

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period
005757	12/2/2015	TRG150270	Microwve,Stimps,Logs	6311-000	385.62	0.00	385.62	1/11/2016	16694	01/16
Vendor: DALHAR Dale Hardware Inc.										
158752	12/4/2015	TRG150272	Ladder,CheckValve	6541-000	109.48	0.00	109.48	1/4/2016	16680	01/16
Vendor: FLOMAS DT Floormasters Inc - Hayward										
381609	12/1/2015	TRG150262	Crpt Rplcmnt F204	7230-000	847.22	0.00	847.22	1/4/2016	16681	01/16
Vendor: GRA038 Grainger										
9919927369	12/16/2015	TRG150277	Water Filters	6541-000	206.95	0.00	206.95	1/4/2016	16682	01/16
Vendor: HOMSUP HD Supply Facilities Maintenance										
9142346764	12/10/2015	TRG150273	Keys,WetFlrSign	6532-000	58.75	0.00	58.75	1/4/2016	16683	01/16
9142346764	12/10/2015	TRG150273	Lysol,Shampoo,Comet	6515-000	176.76	0.00	176.76	1/4/2016	16683	01/16
9142492610	12/17/2015	TRG150278	Dust Bag, Bulbs	6541-000	91.94	0.00	91.94	1/15/2016	16709	01/16
9142659165	12/29/2015	TRG150288	White Paint,RecyclFee	6560-000	137.51	0.00	137.51	1/15/2016	16709	01/16
9142659165	12/29/2015	TRG150288	Wedge,Bulbs,Sink	6541-000	165.99	0.00	165.99	1/15/2016	16709	01/16
9142659165	12/29/2015	TRG150288	Broom	6515-000	40.88	0.00	40.88	1/15/2016	16709	01/16
Vendor: JENSMI Jennifer Smith										
MileageDEC	1/5/2016		MilegReimb12/1-12/30	6385-000	3.50	0.00	3.50	1/15/2016	16710	01/16
Vendor: JSCMGT The John Stewart Company										
TRG/MngmtFee	12/31/2015		Dec'15 Mgmt Fee	6320-000	4,972.79	0.00	4,972.79	1/11/2016	16695	01/16
TRG/MngmtFee	12/31/2015		Dec'15 AcctgFee	6351-000	1,224.00	0.00	1,224.00	1/11/2016	16695	01/16
TRG/MngmtFee	12/31/2015		Cpy&Pstg11/21-12/31	6311-000	15.27	0.00	15.27	1/11/2016	16695	01/16

Database: JOHNSTEWART

Open Status Report

Page: 3

ENTITY: TRG02

Terrace Gardens

Date: 1/21/2016
Time: 11:11 AM

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period	
TRG/MngmtFee	12/31/2015		StrgChrgs11/21-12/31	6311-000	10.08	0.00	10.08	1/11/2016	16695	01/16	
TRG/MngmtFee	12/31/2015		FedEX 11/12,12/10	6311-000	46.92	0.00	46.92	1/11/2016	16695	01/16	
TRG/MngmtFee	12/31/2015		PmtgPrjt11/21-12/31	6311-000	7.30	0.00	7.30	1/11/2016	16695	01/16	
Vendor: JSCPAY The John Stewart Company											
PP15-26-1TRG	12/18/2015		PP15-26-1 TaxAdjust	6711-000	945.00	0.00	945.00	1/15/2016	16711	01/16	
*** This invoice was REOPENED in Expense Period 12/15 ***											
PP15-26-1TRG	12/18/2015		PP15-26-1 FeeAdjust	6311-000	14.22	0.00	14.22	1/15/2016	16711	01/16	
*** This invoice was REOPENED in Expense Period 12/15 ***											
Vendor: LANUSA LandCare USA LLC											
8046668	12/16/2015	TRG150267	918JumboPolsOfFlwrs	6536-000	1,514.00	0.00	1,514.00	1/4/2016	16684	01/16	
Vendor: METROC Strouss Bros. Construction, Inc.											
8606	12/4/2015	TRG150253	Grind Down Concrte	6542-000	950.00	0.00	950.00	1/15/2016	16712	01/16	
Vendor: MORMAN Morrison Management Special											
107422016010	1/4/2016		Svc 12/1-12/31/15	6930-000	41,775.00	0.00	41,775.00	1/15/2016	16713	01/16	
Vendor: NEXTCO NextCom											
81268	11/25/2015	TRG150268	Break Room Phone	6311-000	182.16	0.00	182.16	1/4/2016	16685	01/16	
Vendor: PACGAS Pacific Gas & Electric											
0072643988-8	12/24/2015		Svc 11/24-12/23/15	6450-000	1,893.10	0.00	1,893.10	1/11/2016	16696	01/16	
2203538975-2	12/24/2015		BldgG 11/24-12/23/15	6450-000	1,193.34	0.00	1,193.34	1/11/2016	16696	01/16	
2231937481-9	12/24/2015		BldgA 11/24-12/23/15	6450-000	253.76	0.00	253.76	1/11/2016	16696	01/16	
3074142913-5	12/27/2015		BldgB 11/24-12/24/15	6450-000	124.61	0.00	124.61	1/15/2016	16714	01/16	

Database: JOHNSTEWART

Open Status Report

Page: 4

ENTITY: TRG02

Terrace Gardens

Date: 1/21/2016
Time: 11:11 AM

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period
3157476241-0	12/27/2015		BldgA 11/25-12/24/15	6452-000	108.06	0.00	108.06	1/15/2016	16714	01/16
3699123056-0	12/27/2015		BldgC&D 11/24-12/24	6452-000	170.18	0.00	170.18	1/15/2016	16714	01/16
3902245193-2	12/24/2015		BldgC-D 11/24-12/23	6450-000	235.64	0.00	235.64	1/11/2016	16696	01/16
4824142801-9	1/4/2016		BldgG 12/4-1/4/15	6452-000	1,085.60	0.00	1,085.60	1/15/2016	16714	01/16
4865789648-5	12/27/2015		Svc 11/25-12/24/15	6452-000	735.31	0.00	735.31	1/15/2016	16714	01/16
5407456280-9	12/27/2015		BldgE&F 11/25-12/24	6452-000	265.82	0.00	265.82	1/15/2016	16714	01/16
9001127825-7	12/27/2015		BldgB 11/25-12/24	6452-000	85.70	0.00	85.70	1/15/2016	16714	01/16
9886396791-9	12/24/2015		BldgE-F 11/24-12/23	6450-000	486.98	0.00	486.98	1/11/2016	16696	01/16
Vendor: REPSEB Republic Services, Inc.										
915000843876	12/28/2015		12/11/15-12/31/15	6525-000	3,367.84	0.00	3,367.84	1/11/2016	16697	01/16
Vendor: RESMAN Restoration Management Co Inc										
156309	12/31/2015	TRG150281	A205 SprinklerDamage	6542-000	4,141.50	0.00	4,141.50	1/15/2016	16715	01/16
Vendor: SBC887 AT&T										
4082622494	11/26/2015		6/26/15-11/25/15	6360-000	479.16	0.00	479.16	1/4/2016	16686	01/16
4082622494	11/26/2015		11/26/15-12/25/15	6360-000	91.87	0.00	91.87	1/4/2016	16686	01/16
4082633259	12/10/2015		Svc 12/10-1/9/16	6360-000	95.77	0.00	95.77	1/4/2016	16686	01/16
4082633415	12/10/2015		Svc 12/10-1/9/16	6360-000	116.82	0.00	116.82	1/4/2016	16686	01/16
Vendor: SCAENV Santa Clara Co Dept Of Env Health										
IN1083599	12/11/2015		Health Permit	6719-000	1,946.00	0.00	1,946.00	1/4/2016	16687	01/16
Vendor: STA690 Staples Advantage										
3285580989	11/28/2015	TRG150229	Magenta Tape	6311-000	10.86	0.00	10.86	1/4/2016	16688	01/16

Database: JOHNSTEWART

Open Status Report

Page: 5

ENTITY: TRG02

Terrace Gardens

Date: 1/21/2016

Time: 11:11 AM

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period
Vendor: STACOM Statcomm Inc.										
106449	11/30/2015	TRG150283	Svc Call_RpairGate	6533-000	152.75	0.00	152.75	1/15/2016	16717	01/16
Vendor: STOMOS Stoney Moss										
DecCellPhn	12/14/2015		Dec'15CellPhneReimb	6360-000	60.00	0.00	60.00	1/4/2016	16689	01/16
Mileage Dec	1/5/2016		Mileage Reimb Fr Dec	6385-000	35.65	0.00	35.65	1/15/2016	16718	01/16
Vendor: TAYPLU Taylor Plumbing Supply Inc.										
SJ1289321	12/21/2015	TRG150280	Toilet Parts	6543-000	44.85	0.00	44.85	1/15/2016	16719	01/16
Vendor: TERGAR Terrace Gardens Service Commiltee										
ChkReq12/15	12/15/2015		Misc RcreationReimb	6992-000	2,145.70	0.00	2,145.70	1/4/2016	16690	01/16
Vendor: TYCINT Tyco Integrated Security LLC										
25419576	12/2/2015	TRG150258	FirPanelSystemRepair	6533-000	488.00	0.00	488.00	1/4/2016	16691	01/16
					Expense Period 12/15 Total:		77,021.11	77,021.11		
					Terrace Gardens Total:		77,021.11	77,021.11		
					Grand Total:		77,021.11	77,021.11		

Terrace Gardens

Accrual

Report includes an open period. Entries are not final.

Current Period Ending December 31, 2015 Current Period Prior Period Change in Period

ASSETS

Current Assets

1110-000	Petty Cash Fund	500.00	500.00	0.00
1120-000	Cash - Operating Checking	67,689.97	58,978.14	8,711.83
1122-000	Cash - Money Market	4,696.95	4,696.15	0.80
1130-000	Tenant Rent Receivable	15.00	30.00	(15.00)
1138-000	A/R Housing Authority	4,431.00	0.00	4,431.00
1140-000	A/R Other	298.00	176.00	122.00
1191-000	Security Deposit Checking	77,433.49	76,933.49	500.00

Total Current Assets **155,064.41** **141,313.78** **13,750.63**

Prepaid Expenses

1240-000	Prepaid Property/Liab Ins	34,156.75	37,870.24	(3,713.49)
1241-000	Prepaid Directors/Off Ins	988.68	1,235.85	(247.17)
1270-000	Prepaid Property Taxes	0.00	526.84	(526.84)
1280-000	Prepaid - Miscellaneous	1,940.45	3,434.25	(1,493.80)
1290-000	Prepaid Misc 2	0.00	68.00	(68.00)

Total Prepaid Expenses **37,085.88** **43,135.18** **(6,049.30)**

Reserves and Escrow

1320-010	Repl. Reserves-MM #1	36,883.57	115,380.18	(78,496.61)
1320-020	Repl Reserves-MM #2	42,107.10	42,099.95	7.15
1320-032	Repl Reserves-CD #3	215,681.77	176,677.03	39,004.74
1320-034	Repl Reserves-CD #5	245,962.75	245,962.75	0.00
1320-036	Repl Reserves-CD #7	248,142.45	248,060.88	81.57
1320-037	Repl Reserves-CD #8	70,293.78	70,293.78	0.00
1320-038	Repl Reserves-CD #9	107,030.03	107,030.03	0.00
1320-042	Repl Reserves-CD #12	216,179.72	216,179.72	0.00
1390-040	Carillon Memorial Maint	795.28	795.14	0.14

Total Reserves and Escrow **1,183,076.45** **1,222,479.46** **(39,403.01)**

Fixed Assets

1410-000	Land	1,565,277.00	1,565,277.00	0.00
1420-000	Buildings	11,744,814.14	11,744,814.14	0.00
1421-000	Building / Leasehold Impr	2,403,892.84	2,403,892.84	0.00
1450-000	Furn & Equip-Tenants' use	283,393.68	283,393.68	0.00
1465-000	Office Furn & Equipment	65,095.70	65,095.70	0.00
1485-000	Construction in Progress	152,199.26	152,199.26	0.00
1495-000	Accumulated Depreciation	(7,474,534.48)	(7,440,469.52)	(34,064.96)

Total Fixed Assets **8,740,138.14** **8,774,203.10** **(34,064.96)**

Other Assets

Deposits

1595-000	Workers Comp. Ins-Deposit	1,386.09	1,386.09	0.00
----------	---------------------------	----------	----------	------

Total Deposits **1,386.09** **1,386.09** **0.00**

TOTAL ASSETS **10,116,750.97** **10,182,517.61** **(65,766.64)**

Terrace Gardens

Accrual

Report includes an open period. Entries are not final.

Current Period Ending	December 31, 2015	Current Period	Prior Period	Change in Period
-----------------------	-------------------	----------------	--------------	------------------

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities

2110-000	Accounts Payable	77,021.11	74,169.95	2,851.16
2113-000	Accrued Accounts Payable	16,573.77	7,775.00	8,798.77
2120-000	Wages Payable	10,528.11	6,661.37	3,866.74
2120-010	401K Match Accrual	2,804.07	2,570.40	233.67
2125-000	Accrued Vacation Payable	14,038.25	14,189.94	(151.69)
2157-000	Use Tax Payable	58.42	58.42	0.00
2191-000	Tenant Security Deposits	77,100.00	76,600.00	500.00
2192-000	Security Deposit Interest	333.49	333.49	0.00

Total Current Liabilities

198,457.22 182,358.57 16,098.65

Prepaid Income

2210-000	Prepaid Rent	4.00	30.50	(26.50)
2230-000	Deferred Laundry Income	0.00	158.53	(158.53)

Total Prepaid Income

4.00 189.03 (185.03)

Long-Term Liabilities

TOTAL LIABILITIES

198,461.22 182,547.60 15,913.62

Equity

Owners Equity

Retained Earnings

3210-000	Accumulated Earnings	10,331,712.97	10,331,712.97	0.00
3250-000	Profit/Loss Year-to-Date	(413,423.22)	(331,742.96)	(81,680.26)

Total Retained Earnings

9,918,289.75 9,999,970.01 (81,680.26)

TOTAL LIABILITIES AND EQUITY

10,116,750.97 10,182,517.61 (65,766.64)

For the 12 months ending December 31, 2015
 Report includes an open period. Entries are not final.

Accrual

	Thru:	Current Period			Variance	Actual Dec 2015	Year-To-Date Budget Dec 2015	Variance
		Actual Dec 2015	Budget Dec 2015					
PROJECT REVENUE								
Gross Rent Potential								
5120-000 Rental Income - Tenant		91,532.00	94,994.00	(3,462.00)	1,094,332.00	1,139,938.00	(45,606.00)	-4.00%
5122-000 Housing Authority Income		26,394.00	8,040.00	18,354.00	166,091.00	96,480.00	69,611.00	72.15%
5123-000 Rent Adj -Residential		1,240.00	1,240.00	0.00	14,880.00	14,880.00	0.00	0.00%
5140-000 Commercial Income		1,500.00	458.00	1,042.00	12,400.00	5,500.00	6,900.00	125.45%
5190-000 Grant Income		0.00	0.00	0.00	112,713.25	0.00	112,713.25	0.00%
Total Gross Rent Potential		120,666.00	104,732.00	15,934.00	1,400,416.25	1,256,798.00	143,618.25	11.43%
Vacancies								
5220-000 Vacancy-Residential		0.00	(458.00)	458.00	(2,327.00)	(5,500.00)	3,173.00	57.69%
5250-000 Rental Concessions		0.00	0.00	0.00	(135.00)	0.00	(135.00)	0.00%
Total Vacancies		0.00	(458.00)	458.00	(2,462.00)	(5,500.00)	3,038.00	55.24%
Financial Revenue								
5410-000 Interest Inc - Operating		0.94	0.00	0.94	11.43	0.00	11.43	0.00%
5440-000 Interest Inc - Reserves		102.27	0.00	102.27	2,065.37	0.00	2,065.37	0.00%
Total Financial Revenue		103.21	0.00	103.21	2,076.80	0.00	2,076.80	
Other Income								
5710-000 Food Program		41,533.00	40,279.00	1,254.00	492,141.50	483,356.00	8,785.50	1.82%
5910-000 Laundry Income		568.12	365.00	203.12	4,003.65	4,388.00	(384.35)	-8.76%
5920-000 NSF & Late Charges		45.00	45.00	0.00	530.00	550.00	(20.00)	-3.64%
5925-000 Keys		25.00	48.00	(23.00)	225.00	586.00	(361.00)	-61.60%
5930-000 Clean/Damage/Maintenance		0.00	83.00	(83.00)	332.00	1,000.00	(668.00)	-66.80%
5940-000 Credit Report Fees		37.00	0.00	37.00	37.00	0.00	37.00	0.00%
5990-000 Miscellaneous Income		0.00	20.00	(20.00)	10,855.54	250.00	10,605.54	4242.22%
Total Other Income		42,208.12	40,840.00	1,368.12	508,124.69	490,130.00	17,994.69	3.67%
TOTAL REVENUE		162,977.33	145,114.00	17,863.33	1,908,155.74	1,741,428.00	166,727.74	9.57%
PROJECT EXPENSES								

For the 12 months ending December 31, 2015
 Report includes an open period. Entries are not final.

Accrual

Thru:	Current Period		Year-To-Date		Variance
	Actual Dec 2015	Budget Dec 2015	Actual Dec 2015	Budget Dec 2015	
CF AFTER RESERVE, DEPR, PRINCIPAL AND DEF	(8,212.29)	3,161.00	82,581.71	37,744.00	44,837.71
					118.79%

OTHER INDICATORS

(Increase) Decrease in Prepaid Expenses	6,049.30	0.00	(2,523.71)	0.00	2,523.71
(Increase) Decrease in Accounts Receivable	(4,538.00)	0.00	(4,420.13)	0.00	4,420.13
Increase (Decrease) in Accounts Payable	15,598.65	0.00	(23,147.34)	0.00	23,147.34
Increase (Decrease) in Prepaid Liabilities	(185.03)	0.00	(2,267.66)	0.00	2,267.66

Monthly Unit Gross Potential Activity Report

Community = Terrace Gardens (13)

By GL Report Date

As Of 12/31/2015

Month = Dec 2015

Amenities Mode = Exclude Amenities

Terrace Gardens (13)

Apt Nbr	Rent Billed	Subsidy Billed	Utility Reimbursement	Total Billed To A/R	Overage/ Excess Rent	Lost Rent	Vacancy	Total Billed	Unit Gross Potential	Variance	Concessions	Total Billed After Concessions
A-101	717.00			717.00				717.00	717.00			717.00
A-102	284.00	1,135.00		1,419.00				1,419.00	1,419.00			1,419.00
A-103	825.00			825.00				825.00	825.00			825.00
A-104	449.00			449.00				449.00	449.00			449.00
A-105	717.00			717.00				717.00	717.00			717.00
A-106	449.00			449.00				449.00	449.00			449.00
A-201	540.00			540.00				540.00	540.00			540.00
A-202	760.00			760.00				760.00	760.00			760.00
A-203	825.00			825.00				825.00	825.00			825.00
A-204	717.00			717.00				717.00	717.00			717.00
A-205	717.00			717.00				717.00	717.00			717.00
A-206	717.00			717.00				717.00	717.00			717.00
B-101	658.00			658.00				658.00	658.00			658.00
B-102	449.00			449.00				449.00	449.00			449.00
B-103	468.00	951.00		1,419.00				1,419.00	1,419.00			1,419.00
B-104	449.00			449.00				449.00	449.00			449.00
B-105	717.00			717.00				717.00	717.00			717.00
B-106	717.00			717.00				717.00	717.00			717.00
B-201	717.00			717.00				717.00	717.00			717.00
B-202	281.00	1,138.00		1,419.00				1,419.00	1,419.00			1,419.00
B-203	738.00			738.00				738.00	738.00			738.00
B-204	738.00			738.00				738.00	738.00			738.00
B-205	717.00			717.00				717.00	717.00			717.00
B-206	717.00			717.00				717.00	717.00			717.00
C-101	449.00			449.00				449.00	449.00			449.00
C-102	737.00			737.00				737.00	737.00			737.00
C-103	508.00	2,177.00		2,685.00				2,685.00	2,685.00			2,685.00
C-104	717.00			717.00				717.00	717.00			717.00
C-201	544.00			544.00				544.00	544.00			544.00
C-202	679.00			679.00				679.00	679.00			679.00
C-203	760.00			760.00				760.00	760.00			760.00
C-204	281.00	1,135.00		1,419.00				1,419.00	1,419.00			1,419.00
D-101	717.00			717.00				717.00	717.00			717.00
D-102	679.00			679.00				679.00	679.00			679.00
D-103	452.00			452.00				452.00	452.00			452.00
D-104	249.00	1,170.00		1,419.00				1,419.00	1,419.00			1,419.00
D-105	449.00			449.00				449.00	449.00			449.00
D-106	234.00	1,185.00		1,419.00				1,419.00	1,419.00			1,419.00
D-201	468.00	951.00		1,419.00				1,419.00	1,419.00			1,419.00
D-202	385.00	1,034.00		1,419.00				1,419.00	1,419.00			1,419.00
D-203	540.00			540.00				540.00	540.00			540.00
D-204	717.00			717.00				717.00	717.00			717.00
D-205	717.00			717.00				717.00	717.00			717.00
D-206	825.00			825.00				825.00	825.00			825.00
E-101	760.00			760.00				760.00	760.00			760.00
E-102	717.00			717.00				717.00	717.00			717.00
E-103	509.00	910.00		1,419.00				1,419.00	1,419.00			1,419.00
E-104	717.00			717.00				717.00	717.00			717.00
E-201	737.00			737.00				737.00	737.00			737.00
E-202	490.00			490.00				490.00	490.00			490.00
E-203	510.00			510.00				510.00	510.00			510.00

Monthly Unit Gross Potential Activity Report

Terrace Gardens (13) continued...

Apt Nbr	Rent Billed	Subsidy Billed	Utility Reimbursement	Total Billed To AVR	Overage/ Excess Rent	Lost Rent	Vacancy	Total Billed	Unit Gross Potential	Variance	Concessions	Total Billed After Concessions
E-204	717.00			717.00				717.00	717.00			717.00
E-301	737.00			737.00				737.00	737.00			737.00
E-302	717.00			717.00				717.00	717.00			717.00
E-303	717.00			717.00				717.00	717.00			717.00
E-304	294.00	1,125.00		1,419.00				1,419.00	1,419.00			1,419.00
E-401	737.00			737.00				737.00	737.00			737.00
E-402	737.00			737.00				737.00	737.00			737.00
E-403	331.00	1,088.00		1,419.00				1,419.00	1,419.00			1,419.00
E-404	678.00			678.00				678.00	678.00			678.00
F-101	717.00			717.00				717.00	717.00			717.00
F-102	738.00			738.00				738.00	738.00			738.00
F-103	717.00			717.00				717.00	717.00			717.00
F-104	717.00			717.00				717.00	717.00			717.00
F-105	760.00			760.00				760.00	760.00			760.00
F-106	284.00	1,135.00		1,419.00				1,419.00	1,419.00			1,419.00
F-201	449.00			449.00				449.00	449.00			449.00
F-202	717.00			717.00				717.00	717.00			717.00
F-203	717.00			717.00				717.00	717.00			717.00
F-204	825.00			825.00				825.00	825.00			825.00
F-205	786.00			786.00				786.00	786.00			786.00
F-206	452.00	967.00		1,419.00				1,419.00	1,419.00			1,419.00
F-301	717.00			717.00				717.00	717.00			717.00
F-302	555.00	864.00		1,419.00				1,419.00	1,419.00			1,419.00
F-303	717.00			717.00				717.00	717.00			717.00
F-304	505.00			505.00				505.00	505.00			505.00
F-305	825.00			825.00				825.00	825.00			825.00
F-306	449.00			449.00				449.00	449.00			449.00
F-401	449.00			449.00				449.00	449.00			449.00
F-402	717.00			717.00				717.00	717.00			717.00
F-403	717.00			717.00				717.00	717.00			717.00
F-404	717.00			717.00				717.00	717.00			717.00
F-405	449.00			449.00				449.00	449.00			449.00
F-406	533.00			533.00				533.00	533.00			533.00
G-101	760.00			760.00				760.00	760.00			760.00
G-102	738.00			738.00				738.00	738.00			738.00
G-103	746.00	2,572.00		3,318.00				3,318.00	3,318.00			3,318.00
G-104	825.00			825.00				825.00	825.00			825.00
G-105	277.00	1,142.00		1,419.00				1,419.00	1,419.00			1,419.00
G-106	449.00			449.00				449.00	449.00			449.00
G-107	717.00			717.00				717.00	717.00			717.00
G-108	760.00			760.00				760.00	760.00			760.00
G-109	760.00			760.00				760.00	760.00			760.00
G-110	717.00			717.00				717.00	717.00			717.00
G-111	717.00			717.00				717.00	717.00			717.00
G-112	449.00			449.00				449.00	449.00			449.00
G-113	717.00			717.00				717.00	717.00			717.00
G-114	717.00			717.00				717.00	717.00			717.00
G-115	479.00	307.00		786.00				786.00	786.00			786.00
G-117	449.00			449.00				449.00	449.00			449.00
G-118	717.00			717.00				717.00	717.00			717.00
G-119	717.00			717.00				717.00	717.00			717.00
G-201	449.00			449.00				449.00	449.00			449.00
G-202	717.00			717.00				717.00	717.00			717.00
G-203	679.00			679.00				679.00	679.00			679.00
G-204	717.00			717.00				717.00	717.00			717.00
G-205	760.00			760.00				760.00	760.00			760.00
G-206	449.00			449.00				449.00	449.00			449.00

Monthly Unit Gross Potential Activity Report

Terrace Gardens (13) continued...

Apt Nbr	Rent Billed	Subsidy Billed	Utility Reimbursement	Total Billed To A/R	Coverage/ Excess Rent	Lost Rent	Vacancy	Total Billed	Unit Gross Potential	Variance	Concessions	Total Billed After Concessions
G-207	717.00			717.00				717.00	717.00			717.00
G-208	673.00			673.00				673.00	673.00			673.00
G-209	449.00			449.00				449.00	449.00			449.00
G-210	786.00			786.00				786.00	786.00			786.00
G-211	282.00	1,157.00		1,419.00				1,419.00	1,419.00			1,419.00
G-212	449.00			449.00				449.00	449.00			449.00
G-213	717.00			717.00				717.00	717.00			717.00
G-214	717.00			717.00				717.00	717.00			717.00
G-215	277.00	1,142.00		1,419.00				1,419.00	1,419.00			1,419.00
G-217	717.00			717.00				717.00	717.00			717.00
G-218	738.00			738.00				738.00	738.00			738.00
G-219	717.00			717.00				717.00	717.00			717.00
G-301	717.00			717.00				717.00	717.00			717.00
G-302	284.00	1,135.00		1,419.00				1,419.00	1,419.00			1,419.00
G-303	760.00			760.00				760.00	760.00			760.00
G-304	717.00			717.00				717.00	717.00			717.00
G-305	499.00			499.00				499.00	499.00			499.00
G-306	786.00			786.00				786.00	786.00			786.00
G-307	717.00			717.00				717.00	717.00			717.00
G-308	277.00	1,142.00		1,419.00				1,419.00	1,419.00			1,419.00
G-309	760.00			760.00				760.00	760.00			760.00
G-310	449.00			449.00				449.00	449.00			449.00
G-311	449.00			449.00				449.00	449.00			449.00
G-312	167.00	619.00		786.00				786.00	786.00			786.00
G-313	526.00			526.00				526.00	526.00			526.00
G-314	738.00			738.00				738.00	738.00			738.00
G-315	717.00			717.00				717.00	717.00			717.00
G-317	717.00			717.00				717.00	717.00			717.00
G-318	717.00			717.00				717.00	717.00			717.00
G-319	540.00			540.00				540.00	540.00			540.00
G-401	576.00			786.00				786.00	786.00			786.00
G-402	540.00	210.00		540.00				540.00	540.00			540.00
G-403	760.00			760.00				760.00	760.00			760.00
G-404	717.00			717.00				717.00	717.00			717.00
G-405	760.00			760.00				760.00	760.00			760.00
G-406	527.00			527.00				527.00	527.00			527.00
G-409	738.00			738.00				738.00	738.00			738.00
G-410	717.00			717.00				717.00	717.00			717.00
G-411	717.00			717.00				717.00	717.00			717.00
G-412	717.00			717.00				717.00	717.00			717.00
G-S01	620.00			620.00				620.00	620.00			620.00
G-S02	620.00			620.00				620.00	620.00		(620.00)	0.00
Total for Community:												
92,772.00												
26,394.00												
0.00												
119,166.00												
0.00												
0.00												
119,166.00												
118,166.00												
0.00												
117,926.00												

Unit Activity Report (Move-In/Move-Out/Transfer)

Printed on: 1/18/16 4:46 pm

Community = Terrace Gardens (13)
 Date Range = 12/01/2015 - 12/31/2015
 Amenities Mode = Exclude Amenities

Community	Apt Nbr	Tenant	In Date	Out Date	Activity Type	Transfer	Funding Program	Income Layer
Terrace Gardens	F-204	Chagani, Gulshakar	12/01/15		Move In		Conventional	Conventional
Terrace Gardens	B-101	Marsh, Robert	09/16/05	12/31/15	Move Out			

Vacancy Expense Report

Printed on: 1/18/16 4:45 pm

Community = Terrace Gardens (13)
By GL Report Date
For Dates 12/01/2015 thru 12/31/2015
Unit/Event Detail
Amenities Mode = Exclude Amenities

Terrace Gardens (13)

<u>Apt#</u>	<u>HH ID</u>	<u>Unit Rent</u>	<u>Event Date</u>	<u>Charge</u>	<u>Credit</u>	<u>Total</u>	<u>Days Vacant In Period</u>	<u>Vacant At End Of Period</u>
F-204		825.00	12/01/15	738.00	0.00	738.00		0
F-204		825.00	12/01/15	0.00	(738.00)	(738.00)		0
Total For 204				<u>738.00</u>	<u>(738.00)</u>	<u>0.00</u>	0	
Total For Terrace Gardens				<u>738.00</u>	<u>(738.00)</u>	<u>0.00</u>		<u>0</u>



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Terrace Gardens Senior Housing Inc. Date: 2/1/2016

Address: 186 Beresford Ct
Street Address *Suite Number*

Milpitas CA 95035
City *State* *ZIP Code*

Phone: 408-946-9034 Email: terracegar@jsco.net

Executive Director: Richard Ruth, Board of Directors President

Project Manager (PM): Marina Sanchez, Property Manager

PM's Phone: 408-946-9034 PM's Email: terracegar@jsco.net

DUNS #: 832316181

Type of Agency:

- 501 (c)(3)
 Government or Public Agency
 For - Profit
 Faith Based
 Other:

Project Category
(Check only one):

- Public Service
 Economic Development
 Capital Improvement Project (CIP)/non-public services

Agency's Mission:

Terrace Gardens provides affordable housing for low income Senior Citizens.

Section B: Funding Request

Total funding requested for this project	\$ 30,000 - for materials only
Total cost of project	\$ 100,000 - Includes materials and labor
Other funds leverage for project i.e. Private Donations (estimation)	\$ 0
Other funds not secured by project	\$ 0
Are you getting County assistance, if so, please list	\$ 0

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Funds used from limited project reserves will be used to implement the project.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

2007-2008=\$150,000;
2009-2010= \$93,333;
2010-2011= \$93,951;
2011-2012= \$150,000;
2013-2014= \$108,000;
2014-2015= \$131,233.20;
2015-2016= \$112,713.25

Section C: Project Eligibility

Targeted Clientele: Low Income Senior Citizens

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

Terrace Gardens was originally built and began providing affordable housing to low income Senior Citizens during 1989. The property interior and exterior common area lights are all original to the property. We are proposing to switch out all interior and exterior common area lights to energy efficient LED Lighting. This change will not just benefit the residents of Terrace Gardens, but the city of Milpitas as well with lower electricity consumption and carbon footprint.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

- Abused children
- Elderly persons 62 years or older
- Battered persons
- Severely disabled adults (not children) as defined by the Census
- Illiterate adults
- Persons living with HIV/AIDS
- Migrant farm workers
- Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

- Single Family (must be 100% LMI)
- Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	184	184	100%
2. Cost Per Client Annually	\$163	\$163	100%
3. How many are low- and very-low income?	184	184	100%
4. Will the proposed assistance result in increase in clients? State projected number.	N/A	N/A	

5. What is the total number of unduplicated clients/households to be served?	184	184	100%
--	-----	-----	------

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Materials Only

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Applications are completed and proof of income is required (Social Security, Pension & etc). Race, Ethnic, Disability and Gender Reporting Form (voluntary information) included in the move-in packet.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

Residents apply, and are called via a wait list system. When there is a need, we will advertise in the Milpitas Post and Craigslist to fill occupancy.

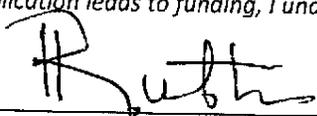
Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.



Signature of Executive Officer

Feb 3, 2016

Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Terrace Gardens Senior Housing, Inc.

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel				
Benefits				
Rent				
Telephone				
Postage				
Printing (including Ads)				
Supplies				
Travel				
Utilities				
Equipment & Maintenance				
Dues & Subscriptions				
Accounting Services				
Contract Services				
Insurance				
Conference				
Miscellaneous	\$30,000 - Materials Only	\$70,000 - Labor Only	\$100,000 - Materials & Labor	Reserve Funds
TOTAL	\$30,000 - Materials Only	\$70,000 - Labor Only	\$100,000 - Materials & Labor	Reserve Funds

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Terrace Gardens Senior Housing, Inc.

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Marina Sanchez	10%	On-Site Property Manager	We are proposing to switch out all interior and exterior common area lights to energy efficient LED Lighting.

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: 2/1/2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Terrace Gardens Senior Housing, Inc.

Project Coordinator: Marina Sanchez, Property Manager

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Exterior/Interior Common Area LED Project					X							

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Marina Sanchez Title Property Manager

**RESOLUTION BY THE BOARD OF DIRECTORS OF
TERRACE GARDENS, INC.**

A California Nonprofit Public Benefit Corporation

WHEREAS, Terrace Gardens, Inc. wishes to submit Community Development Block Grant (CDBG) applications to the City of Milpitas for 2016-2017 funding for the LED Light Project and Community Engagement Project for Terrace Gardens.

WHEREAS, Terrace Gardens, Inc. is a California Nonprofit Public Benefit Corporation (501c3) and is willing to accept such funding should it be awarded; and

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of Terrace Gardens, Inc. hereby authorizes the President, Richard Ruth, to submit applications and execute all documents pertaining to such applications; to sign all certifications, contracts, amendments to contracts and reimbursement request pertaining to the application and any contract agreement between Terrace Gardens, Inc. and The City of Milpitas, California.

The number of members who voted affirmatively for the adoption of the resolution was 6 and the number of members consisting of a quorum is five (5).

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Terrace Gardens, Inc., a California Nonprofit Public Benefit Corporation, and that the foregoing Resolution was duly adopted at the phone and email communications of the Board of Directors the last week of January 2016.

IN WITNESS WHEREOF, I have hereunto subscribed my name on the 4th day of February, 2016 at Milpitas, California.

 2/4/16

Nasir Lalani, Secretary/Treasurer

Terrace Gardens
Monthly Report For Establishing Net Income
For The Month of December 31, 2015

Operating Cash on Hand - Beginning of Month \$63,674.29

Operating Deposits:

Rent-Tenants	\$91,543.00
Rent-HAP	21,963.00
Resident Meals	41,522.50
Laundry Income	287.59
NSF/Late Fees	45.00
Maint. Damages & Cleaning Fees	
Guest Units	1,500.00
Credit Report Fees	-
Tenant utility reimbursement	
Key/ lock Replacement Fee	50.00
NSF	
Security Deposit Retained	
Security Deposit to be refunded to tenants	
Othe/Misc.:	
Othe/Misc.:	
Panel	

Subtotal Operating Collections \$156,911.09

Other Deposits:

Other: Money Mkt Interest earned	0.80
Other: Record Dep. Trf from Repl.Rsv	78,500.00

Total Deposits \$235,411.89

Total Cash Available \$299,086.18

Disbursements:

Checking Account Disbursements	226,699.26
Other:	

Total Disbursements 226,699.26

Operating Cash on Hand - End of Month 67,689.97

Operating Money Market Balance 4,696.95

Total Operating Cash \$72,386.92

Accounts Payable (invoices received)	\$ 77,021.11
Accrued Accounts Payable	\$ 16,573.77
Accrued Accounts Payable Wages	\$ 10,526.11

Monthly Gross Potential	119,166.00
Administrative Units	1,240.00
Vacancy Loss	-
Accounts Receivable	15.00
Accounts Receivable - Other Subsidy	4,431.00
Prepaid Rents	4.00

Units Occupied	148
Staff	2
Units Vacant	-
Total Units	<u>150</u>

Vacant Unit #s EOM:

Security Deposit Liability	77,100.00
Security Deposit Funded to Date	77,433.49
Interest	<u>333.49</u>

Over/(Under) Funded 0.00

I hereby certify that this report is true and correct to the best of my knowledge.

Signature: 

Date: January 20, 2016

Title: Teresa Scofield, Staff Accountant, The John Stewart Company, Managing Agent

 1/21/16

Terrace Gardens
Schedule of Cash & Reserve Accounts
For The Month Of December 31, 2015

General Ledger	Type Of Account	Bank Name	Account Number	Maturity Date	Beginning Balance	Deposits NSF Checks	Disbursements	Ending Balance	
1120.000 TRGCP	Checking	CitiBank	****6711 NSF/VOID		58,978.14	235,411.09	226,699.26	67,689.97	205006711
1122.000 TRGCM 5410	Money Market APY=0.200%	Citibank	****6729		4,696.15	0.80		4,696.95	205006729
Total Operating Cash					63,674.29	235,411.89	226,699.26	72,386.92	
1191.000 TRGSD	Checking	CitiBank	****6737		76,933.49	500.00		77,433.49	205006737
Total Security Deposit Cash					76,933.49	500.00	-	77,433.49	
1320-010 TRGRR 5440	Money Market APY=0.05%	Union Bank	****0182		115,380.18	3.39	78,500.00	36,883.57	0053890182
1320.020 TRGR1 5440	Money Market APY=0.200%	Citibank	****6293		42,099.95	7.15		42,107.10	0205146293
1320.032 TRGR7 5440	Savings 0.06%	Wells Fargo	****2619		176,677.03	38,994.58 10.16		215,681.77	7455042619
1320-034 TRGR9 5440	CD APY=0.35%	United Security <i>No Statement rec'd</i>	****0445	03/27/16	245,962.75			245,962.75	136130445
1320.036 TRGRB	CD 0.4%	Lighthouse Bank	****0180	3/18/16	248,060.88	81.87		248,142.75	100180
1320.037 TRGRC	CD APY=0.250%	Heritage Bank <i>No Statement rec'd</i>	****5363	09/13/16	70,293.78			70,293.78	1905363
1320.038 TRGRD	CD	First Republic Bank <i>No Statement rec'd</i>	****0685		107,030.03			107,030.03	00500020685
1320.042 TRGR5	CD	Santa Cruz Co.Bank 9 mo.CD <i>No Statement rec'd</i>	****5141	03/19/16	216,179.72			216,179.72	175141
Total Replacement Reserves					1,221,684.32	39,097.16	78,500.00	1,182,281.47	
1390.040 TRGMS 5410	Money Market APY=0.200%	Citibank	****6745		795.14	- 0.14	-	795.28	205006745
Total Carillon Memorial Fund					795.14	0.14	-	795.28	
Grand Total Cash Accounts					\$ 1,363,087.24	\$ 275,009.18	\$305,199.26	\$ 1,332,897.16	

Database: JOHNSTEWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch

Page: 1
 Date: 1/21/2016
 Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check # Entity	Check Date Reference	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
16627 TRG02	12/7/2015 Hve to remit to	11/15	ECO206 6519-000	Pest -Supp & Contracts	*** VOID ** 6768087	Voided Check 11/12/2015	11/12/2015	-556.00	-556.00
Check Total: -556.00									
16634 TRG02	12/4/2015 Oct'15CellPhne	12/15	ASHSTE 6360-000	Tel. & Answering Service	Ashley Stewart Cell/Oct	11/19/2015	11/19/2015	22.50	22.50
Check Total: 22.50									
16635 TRG02	12/4/2015 11/16/15-12/15/15	12/15	ATTUVE 6360-000	Tel. & Answering Service	AT&T - 5014	12/3/2015	12/6/2015	40.00	40.00
Check Total: 40.00									
16636 TRG02	12/4/2015 11/24/15-12/23/15	12/15	COM124 6390-000	Misc. Admin. Expenses	Comcast -34744	11/19/2015	12/11/2015	30.26	30.26
Check Total: 30.26									
16637 TRG02	12/4/2015 Svc 12/1/15-12/31/15	12/15	CONGEN 6360-000	Tel. & Answering Service	Communications Genl Answering Svc 151110287	12/1/2015	12/15/2015	98.00	98.00
TRG02	HolidayCharge		6360-000	Tel. & Answering Service	151110287	12/1/2015	12/15/2015	1.95	1.95
Check Total: 99.95									
16638 TRG02	12/4/2015 LightBibs&Batteries	12/15	HOMSUP 6541-000	Repairs Materials/Supp	HD Supply Facilities Maintenance 9141622172	11/5/2015	12/5/2015	74.88	74.88
TRG02	CrpShmpo,Soap,SlIPad		6515-000	Janitorial Supplies	9141492251	10/30/2015	11/29/2015	120.55	120.55
TRG02	Ctrfdrg,20Wbib,CntGel		6541-000	Repairs Materials/Supp	9141492251	10/30/2015	11/29/2015	164.54	164.54
Check Total: 359.97									
16639 TRG02	12/4/2015 Mileage10/1-10/22/15	12/15	JENSMI 6385-000	Mileage/Travel	Jennifer Smith	11/6/2015	11/6/2015	2.45	2.45
Check Total: 2.45									
16640 TRG02	12/4/2015 Nov'15 Mgmt Fee	12/15	JSCMGT 6320-000	Management Fees	The John Stewart Company TRG/MgmtFee	11/30/2015	11/30/2015	4,972.79	4,972.79
TRG02	Nov'15 Acctg' Fee		6351-000	Bookkeeping Services	TRG/MgmtFee	11/30/2015	11/30/2015	1,224.00	1,224.00
TRG02	Copy&Pstg10/21-11/20		6311-000	Office Expenses	TRG/MgmtFee	11/30/2015	11/30/2015	41.88	41.88

Database: JOHNSTEWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch

Page: 2
 Date: 1/21/2016
 Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check # Entity	Check Date Reference	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
TRG02	FedExDelV10/15,10/29		6311-000	Office Expenses	TRGMgmtFee	11/30/2015	11/30/2015	46.30	46.30
					<i>Check Total:</i>			6,284.97	6,284.97
16641	12/4/2015	12/15	LANUSA	LandCare USA LLC	8023945	11/1/2015	12/1/2015	1,343.00	1,343.00
TRG02	Nov'15 Landscape Svc		6537-000	Landscape Contracts				1,343.00	1,343.00
					<i>Check Total:</i>			1,343.00	1,343.00
16642	12/4/2015	12/15	MILPIT	City Of Milpitas	2012365	11/23/2015	12/14/2015	11,963.70	11,963.70
TRG02	8/28/15-10/27/15		6453-000	Sewer				11,963.70	11,963.70
					<i>Check Total:</i>			11,963.70	11,963.70
16643	12/4/2015	12/15	MSANCH	Marina Sanchez	Cell/Oct	11/30/2015	11/30/2015	60.00	60.00
TRG02	Oct'15CellPhneReimb		6360-000	Tel. & Answering Service				60.00	60.00
					<i>Check Total:</i>			60.00	60.00
16644	12/4/2015	12/15	PACGAS	Pacific Gas & Electric	9886396791-9	11/24/2015	12/11/2015	519.77	519.77
TRG02	BldgE-F 10/26-11/23		6450-000	Electricity	0072643988-8	11/24/2015	12/11/2015	1,136.49	1,136.49
TRG02	10/26/15-11/23/15		6450-000	Electricity	2203538975-2	11/24/2015	12/11/2015	1,167.05	1,167.05
TRG02	BldgG 10/26-11/23/15		6450-000	Electricity	2231937481-9	11/24/2015	12/11/2015	252.43	252.43
TRG02	BldgA 10/26-11/23/15		6450-000	Electricity	3902245193-2	11/24/2015	12/11/2015	238.89	238.89
					<i>Check Total:</i>			3,314.63	3,314.63
16645	12/4/2015	12/15	SJMERC	San Jose Mercury News	541010	10/28/2015	10/28/2015	143.00	143.00
TRG02	10/17/15-1/15/16		6390-000	Misc. Admin. Expenses				143.00	143.00
					<i>Check Total:</i>			143.00	143.00
16646	12/4/2015	12/15	STA690	Staples Advantage	3283011703	10/31/2015	11/30/2015	111.05	111.05
TRG02	Clndr,Tissu,Cmmr,lnk		6311-000	Office Expenses				111.05	111.05
					<i>Check Total:</i>			111.05	111.05
16647	12/4/2015	12/15	TRGOPS	Terrace Gardens	Repl Resv	12/1/2015	12/1/2015	24,994.58	24,994.58
TRG02	Monthly Repl Resv		1128-000	Cash Offset				24,994.58	24,994.58

Database: JOHNSTEWART
BANK: TRGOP

Check Register
Terrace Gardens Operating Account
Citibank #783, S Oaks-V Nuys Branch

Page: 3
Date: 1/21/2016
Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check #	Check Date	Check Pd	Vendor	Account	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
16648	12/11/2015	12/15	AIRCOM						
TRG02	11/01/15-11/30/15		6546-000	Heating/Cooling Repairs	773679	11/1/2015	11/1/2015	1,284.00	1,284.00
Check Total:									24,994.58
16649	12/11/2015	12/15	ALLDRA						
TRG02	DrapesForE202		6541-000	Allied Drapery Service	15-0693	11/16/2015	11/16/2015	255.56	255.56
Check Total:									255.56
16650	12/11/2015	12/15	ASHSTE						
TRG02	Nov'15CellPhnReimb		6360-000	Tel. & Answering Service	Cell/Nov	12/1/2015	12/1/2015	22.50	22.50
Check Total:									22.50
16651	12/11/2015	12/15	ATTUVE						
TRG02	Internt 11/24-12/23		6360-000	Tel. & Answering Service	145350090	11/23/2015	12/14/2015	60.88	60.88
Check Total:									60.88
16652	12/11/2015	12/15	CALJAN						
TRG02	PprTwls,CanLiner		6515-000	Janitorial Supplies	054666	10/13/2015	10/13/2015	300.62	300.62
TRG02	ToiletPpr,PprTwls		6515-000	Janitorial Supplies	055069	11/30/2015	11/30/2015	339.88	339.88
TRG02	Lintrs,ToiltPpr, Twls		6515-000	Janitorial Supplies	055644	11/30/2015	11/30/2015	291.44	291.44
Check Total:									931.94
16653	12/11/2015	12/15	GREBUS						
TRG02	2NonSmkg'Signs,Forms		6311-000	Office Expenses	4083469	11/25/2015	11/25/2015	190.00	190.00
TRG02	Credit		6311-000	Office Expenses	4083469	11/25/2015	11/25/2015	-76.00	-76.00
Check Total:									114.00
16654	12/11/2015	12/15	JENSMI						
TRG02	Mileage 11/1-11/30		6385-000	Mileage/Travel	Mileage/Nov	12/2/2015	12/2/2015	3.85	3.85
Check Total:									3.85
16655	12/11/2015	12/15	MCASTA						
Check Total:									3.85

Database: JOHNSTEWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch

Page: 4
 Date: 1/21/2016
 Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check # Entity	Check Date Reference	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
TRG02	Milge9/2,10/15,10/22		6385-000	Mileage/Travel	MileageReimb	12/2/2015	12/2/2015	21.86	21.86
Check Total: 21.86									
16656	12/11/2015	12/15	MILPIT						
TRG02	BusLic 1/1-12/31/16		6790-000	Misc.Licenses/Permits	35534	12/1/2015	1/31/2016	12.77	12.77
TRG02	BusLic 1/1-12/31/16		6790-000	Misc.Licenses/Permits	35535	12/11/2015	1/31/2016	504.77	504.77
Check Total: 517.54									
16657	12/11/2015	12/15	MSANCH						
TRG02	Nov'15CellPInReimb		6360-000	Tel. & Answering Service	Cell/Nov	11/30/2015	11/30/2015	60.00	60.00
Check Total: 60.00									
16658	12/11/2015	12/15	PACGAS						
TRG02	RecRm 10/27-11/24/15		6452-000	Gas	4865789648-5	11/25/2015	12/16/2015	620.42	620.42
TRG02	BldgE&F 10/27-11/24		6452-000	Gas	5407456280-9	11/25/2015	12/16/2015	246.07	246.07
TRG02	BldgB 10/27-11/24/15		6452-000	Gas	9001127825-7	11/25/2015	12/16/2015	77.13	77.13
TRG02	BldgB 10/27-11/24/15		6450-000	Electricity	3074142913-5	11/25/2015	12/16/2015	120.24	120.24
TRG02	BldgA 10/27-11/24/15		6452-000	Gas	3157476241-0	11/25/2015	12/16/2015	83.26	83.26
TRG02	BldgC&D 10/27-11/24		6452-000	Gas	3699123056-0	11/25/2015	12/16/2015	155.48	155.48
Check Total: 1,302.60									
16659	12/11/2015	12/15	REPSER						
TRG02	11/1/15-11/30/15		6525-000	Garbage Removal	915000833588	11/28/2015	12/18/2015	3,367.84	3,367.84
Check Total: 3,367.84									
16660	12/11/2015	12/15	SBC887						
TRG02	Svc 11/26-12/25/15		6360-000	Tel. & Answering Service	4082621636	11/26/2015	12/21/2015	181.94	181.94
TRG02	Svc 11/26-12/25/15		6360-000	Tel. & Answering Service	4082622873	11/26/2015	12/21/2015	104.97	104.97
TRG02	Svc 11/26-12/25/15		6360-000	Tel. & Answering Service	4082621572	11/26/2015	12/21/2015	89.93	89.93
TRG02	Svc 11/23-12/22/15		6360-000	Tel. & Answering Service	4089469034	11/23/2015	12/17/2015	307.61	307.61
TRG02	Svc 11/26-12/25/15		6360-000	Tel. & Answering Service	4082624029	11/26/2015	12/21/2015	47.31	47.31
Check Total: 731.76									
16661	12/11/2015	12/15	STOMOS						
TRG02	Milage 10/20,11/2		6385-000	Mileage/Travel	Milage	12/2/2015	12/2/2015	20.70	20.70
TRG02	Nov'15 Cell Reimb		6360-000	Tel. & Answering Service	NovCellPIne	11/25/2015	11/25/2015	60.00	60.00

Database: JOHNSTEMWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch
 12/1/2015 Through 12/31/2015

Page: 5
 Date: 1/21/2016
 Time: 11:10 AM

Check #	Entity	Check Date	Check Pd Reference	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
16662	TRG02	12/11/2015	12/15 Misc Recreationl Reimb	TERGAR 6992-000	Recreational Supplies	ChkReq12/3	11/30/2015	11/30/2015	530.32	530.32
Check Total:										80.70
16663	TRG02	12/21/2015	12/15 Dec'15 Copier Lease	CITTEC 6311-000	Office Expenses	CIT 27860926	12/5/2015	12/5/2015	283.19	283.19
Check Total:										283.19
16664	TRG02	12/21/2015	12/15 Pest Svc 12/9/15	ECO206 6519-000	Pest -Supp & Contracts	6922377	12/9/2015	12/9/2015	556.00	556.00
TRG02			12/15 Pest Svc 11/12/15	6519-000	Pest -Supp & Contracts	6768087	11/12/2015	11/12/2015	556.00	556.00
Check Total:										1,112.00
16665	TRG02	12/21/2015	12/15 2NonSmkngSigns	GREBUS 6311-000	Office Expenses	4087052	12/7/2015	12/7/2015	83.90	83.90
TRG02			Credit	6311-000	Office Expenses	4087052	12/7/2015	12/7/2015	-33.56	-33.56
Check Total:										50.34
16666	TRG02	12/21/2015	12/15 ThrmStats,Blbs,Anchr	HOMSUP 6541-000	Repairs Materials/Supp	9142214808	12/4/2015	1/3/2015	122.59	122.59
Check Total:										122.59
16667	TRG02	12/21/2015	12/15 Dec'15 Landscape Svc	LANUSA 6537-000	Landscape Contracts	8031123	12/1/2015	12/31/2015	1,343.00	1,343.00
Check Total:										1,343.00
16668	TRG02	12/21/2015	12/15 11/1/15-11/30/15	MORMAN 6930-000	Food Service Costs	107422015120	12/2/2015	12/2/2015	41,587.50	41,587.50
Check Total:										41,587.50
16669	TRG02	12/21/2015	12/15 Bldg 11/4-12/3/15	PACGAS 6452-000	Gas	4824142801-9	12/3/2015	12/3/2015	936.33	936.33
Check Total:										936.33

Database: JOHNSTEWART
BANK: TRGOP

Check Register
Terrace Gardens Operating Account
Citibank #783, S Oaks-V Nuys Branch

Page: 6
Date: 1/21/2016
Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check #	Entity	Check Date	Check Pd	Vendor	Account	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
16670	TRG02	12/21/2015	12/15	RFI000	Prepaid - Miscellaneous	534333	12/15/2015	1/14/2015	188.10	188.10
		1/11/16-3/31/16		1280-000						
Check Total: 936.33										
16671	TRG02	12/21/2015	12/15	SVLOCK	Security Supplies	102073	7/31/2015	7/31/2015	257.99	257.99
		Keys&CylindrChngs		6532-000	Silicon Valley Lockmasters, Inc.					
Check Total: 257.99										
16672	TRG02	12/21/2015	12/15	TRGOPS	Cash Offset		12/31/2015	12/31/2015	7,000.00	7,000.00
		RfndRsrwWthDnw10/20		1128-000	Terrace Gardens					
		RfndRsrwWthDnw10/20		1128-000	Cash Offset		11/30/2015	11/30/2015	7,000.00	7,000.00
Check Total: 14,000.00										
16673	TRG02	12/21/2015	12/15	TYCINT	Prepaid - Miscellaneous	25592425	12/5/2015	12/5/2015	143.60	143.60
		01/01/16-03/31/16		1280-000	Tyco Integrated Security LLC					
Check Total: 143.60										
16674	TRG02	12/21/2015	12/15	URBBRO	Exterior Replacements	10031151115	11/15/2015	11/15/2015	19,625.00	19,625.00
		FinalBillingWorkDone		7240-000	Urban Painting Inc.					
		PgrsBillingForWrkDne		7240-000	Exterior Replacements	10032151030	10/30/2015	10/30/2015	58,875.00	58,875.00
Check Total: 78,500.00										
P15251TRG	TRG02	12/18/2015	12/15	JSCPAY	On-Site Administrative PR	PP1525-1TRG	12/4/2015	12/18/2015	1,450.00	1,450.00
		PP25-1 XMAS Bonus		6310-000	The John Stewart Company					
		PP25-1 XMAS Bonus		6330-000	Payroll - Manager	PP1525-1TRG	12/4/2015	12/18/2015	1,000.00	1,000.00
		PP25-1 XMAS Bonus		6510-000	Payroll - Maintenance	PP1525-1TRG	12/4/2015	12/18/2015	1,450.00	1,450.00
		PP25-1 XMAS Bonus		6512-000	Payroll - Janitor	PP1525-1TRG	12/4/2015	12/18/2015	800.00	800.00
		PP25-1 XMAS Bonus		6711-000	Payroll Taxes	PP1525-1TRG	12/4/2015	12/18/2015	359.55	359.55
		PP25-1 XMAS Bonus		6311-000	Office Expenses	PP1525-1TRG	12/4/2015	12/18/2015	78.78	78.78
		PP25-1 XMAS Bonus		6722-000	Workers Comp.	PP1525-1TRG	12/4/2015	12/18/2015	192.50	192.50
Check Total: 5,330.83										
P15251TRG	TRG02	12/31/2015	12/15	JSCPAY					5,330.83	5,330.83

The John Stewart Company *** VOI Voided Check

Database: JOHN STEWART
BANK: TRGOP

Check Register
Terrace Gardens Operating Account
Citibank #783, S Oaks-V Nuys Branch
12/1/2015 Through 12/31/2015

Page: 7
Date: 1/21/2016
Time: 11:10 AM

Check # Entity	Check Date Reference	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount
TRG02	PP15-26-1	TaxAdjust	6711-000	Payroll Taxes	PP15-26-1TRG	12/18/2015	12/18/2015	945.00	945.00
TRG02	PP15-26-1	FeeAdjust	6311-000	Office Expenses	PP15-26-1TRG	12/18/2015	12/18/2015	14.22	14.22
TRG02	HAS TO BE	PHYSICAL	6711-000	Payroll Taxes	PP15-26-1TRG	12/18/2015	12/18/2015	-945.00	-945.00
TRG02	HAS TO BE	PHYSICAL	6311-000	Office Expenses	PP15-26-1TRG	12/18/2015	12/18/2015	-14.22	-14.22
<i>Check Total: 0.00</i>									
P1526TRG0 12/24/2015 12/15									
JSCPAY									
TRG02	PP15 12/5-12/18/15		6310-000	On-Site Administrative PR	PP15-26/TRG	12/18/2015	12/18/2015	2,550.04	2,550.04
TRG02	PP15 12/5-12/18/15		6330-000	Payroll - Manager	PP15-26/TRG	12/18/2015	12/18/2015	2,216.72	2,216.72
TRG02	PP15 12/5-12/18/15		6510-000	Payroll - Maintenance	PP15-26/TRG	12/18/2015	12/18/2015	3,715.40	3,715.40
TRG02	PP15 12/5-12/18/15		6512-000	Payroll - Janitor	PP15-26/TRG	12/18/2015	12/18/2015	1,180.80	1,180.80
TRG02	PP15 12/5-12/18/15		6711-000	Payroll Taxes	PP15-26/TRG	12/18/2015	12/18/2015	736.22	736.22
TRG02	PP15 12/5-12/18/15		6311-000	Office Expenses	PP15-26/TRG	12/18/2015	12/18/2015	189.84	189.84
TRG02	PP15 12/5-12/18/15		6722-000	Workers Comp.	PP15-26/TRG	12/18/2015	12/18/2015	416.49	416.49
TRG02	PP15 12/5-12/18/15		6723-000	Health Ins. / EE Benefits	PP15-26/TRG	12/18/2015	12/18/2015	1,267.96	1,267.96
									12,273.47
<i>Check Total: 12,273.47</i>									
PP1525TRG 12/11/2015 12/15									
JSCPAY									
TRG02	PP25 11/21-12/4/15		6310-000	On-Site Administrative PR	PP15-25/TRG	12/4/2015	12/4/2015	2,748.48	2,748.48
TRG02	PP25 11/21-12/4/15		6330-000	Payroll - Manager	PP15-25/TRG	12/4/2015	12/4/2015	2,222.24	2,222.24
TRG02	PP25 11/21-12/4/15		6510-000	Payroll - Maintenance	PP15-25/TRG	12/4/2015	12/4/2015	3,724.82	3,724.82
TRG02	PP25 11/21-12/4/15		6512-000	Payroll - Janitor	PP15-25/TRG	12/4/2015	12/4/2015	1,180.80	1,180.80
TRG02	PP25 11/21-12/4/15		6711-000	Payroll Taxes	PP15-25/TRG	12/4/2015	12/4/2015	752.55	752.55
TRG02	PP25 11/21-12/4/15		6311-000	Office Expenses	PP15-25/TRG	12/4/2015	12/4/2015	193.39	193.39
TRG02	PP25 11/21-12/4/15		6722-000	Workers Comp.	PP15-25/TRG	12/4/2015	12/4/2015	424.67	424.67
TRG02	PP25 11/21-12/4/15		6723-000	Health Ins. / EE Benefits	PP15-25/TRG	12/4/2015	12/4/2015	1,267.96	1,267.96
									12,514.91
<i>Check Total: 12,514.91</i>									
PP1526TRG 12/18/2015 12/15									
JSCPAY									
TRG02	PP15 12/5-12/18/15		6310-000	On-Site Administrative PR	PP15-26/TRG	12/18/2015	12/18/2015	2,550.04	2,550.04
TRG02	PP15 12/5-12/18/15		6330-000	Payroll - Manager	PP15-26/TRG	12/18/2015	12/18/2015	2,216.72	2,216.72
TRG02	PP15 12/5-12/18/15		6510-000	Payroll - Maintenance	PP15-26/TRG	12/18/2015	12/18/2015	3,715.40	3,715.40
TRG02	PP15 12/5-12/18/15		6512-000	Payroll - Janitor	PP15-26/TRG	12/18/2015	12/18/2015	1,180.80	1,180.80
TRG02	PP15 12/5-12/18/15		6711-000	Payroll Taxes	PP15-26/TRG	12/18/2015	12/18/2015	736.22	736.22
TRG02	PP15 12/5-12/18/15		6311-000	Office Expenses	PP15-26/TRG	12/18/2015	12/18/2015	189.84	189.84
TRG02	PP15 12/5-12/18/15		6722-000	Workers Comp.	PP15-26/TRG	12/18/2015	12/18/2015	416.49	416.49
TRG02	PP15 12/5-12/18/15		6723-000	Health Ins. / EE Benefits	PP15-26/TRG	12/18/2015	12/18/2015	1,267.96	1,267.96
TRG02	TO CHANGE	DATE	6310-000	On-Site Administrative PR	PP15-26/TRG	12/18/2015	12/18/2015	-2,550.04	-2,550.04

Database: JOHNSTEWART
 BANK: TRGOP

Check Register
 Terrace Gardens Operating Account
 Citibank #783, S Oaks-V Nuys Branch

Page: 8
 Date: 1/21/2016
 Time: 11:10 AM

12/1/2015 Through 12/31/2015

Check # Entity	Check Date Reference	Check Pd	Vendor P.O. Number	Account Number	Invoice Number	Invoice Date	Due Date	Invoice Amount	Check Amount	
TRG02	TO CHANGE DATE		6330-000	Payroll - Manager	PP15-26/TRG	12/18/2015	12/18/2015	-2,216.72	-2,216.72	
TRG02	TO CHANGE DATE		6510-000	Payroll - Maintenance	PP15-26/TRG	12/18/2015	12/18/2015	-3,715.40	-3,715.40	
TRG02	TO CHANGE DATE		6512-000	Payroll - Janitor	PP15-26/TRG	12/18/2015	12/18/2015	-1,180.80	-1,180.80	
TRG02	TO CHANGE DATE		6711-000	Payroll Taxes	PP15-26/TRG	12/18/2015	12/18/2015	-736.22	-736.22	
TRG02	TO CHANGE DATE		6311-000	Office Expenses	PP15-26/TRG	12/18/2015	12/18/2015	-189.84	-189.84	
TRG02	TO CHANGE DATE		6722-000	Workers Comp.	PP15-26/TRG	12/18/2015	12/18/2015	-416.49	-416.49	
TRG02	TO CHANGE DATE		6723-000	Health Ins. / EE Benefits	PP15-26/TRG	12/18/2015	12/18/2015	-1,267.96	-1,267.96	
Check Total:									0.00	
							Citibank #783, S Oaks-V Nuys Branch Total:		226,143.26	226,143.26
								Grand Total:		226,143.26

Open Status Report
 Terrace Gardens

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period	
Expense Period: 12/15											
Vendor: AAFIRE AA Fire Systems, Inc.											
7634	11/16/2015	TRG150246	Quarterly Fire System	6533-000	750.00	0.00	750.00	1/4/2016	16675	01/16	
Vendor: AARPLU Aaron Plumbing											
12/28/2015	12/28/2015	TRG150287	Pumped Grease Traps	6543-000	375.00	0.00	375.00	1/15/2016	16702	01/16	
Vendor: AIRCOM Airco Commercial Services Inc											
774024	12/1/2015		12/1/15-12/31/15	6546-000	1,284.00	0.00	1,284.00	1/4/2016	16676	01/16	
Vendor: ASHSTE Ashley Stewart											
Cell/Dec	1/5/2016		Dec'15 CellPhone	6360-000	22.50	0.00	22.50	1/15/2016	16704	01/16	
Vendor: ATTUVE AT&T - 5014											
145618304	12/15/2015		12/16/15-1/15/16	6360-000	40.00	0.00	40.00	1/4/2016	16677	01/16	
Vendor: CARJAN Carlos Janitorial Services											
400002	12/30/2015	TRG150286	Paint #B101	6560-000	499.00	0.00	499.00	1/15/2016	16705	01/16	
Vendor: CARNCA Carnation Carpet Cleaning											
1361	12/31/2015	TRG150289	Shampoo #A105	6517-000	70.00	0.00	70.00	1/15/2016	16706	01/16	
Vendor: CHAPLU Champion Plumbing											
51180	12/10/2015	TRG150275	SnakeDrainMngera Unit	6543-000	131.25	0.00	131.25	1/4/2016	16678	01/16	
52479	11/11/2015	TRG150261	Snake C201 Tub	6543-000	102.50	0.00	102.50	1/4/2016	16678	01/16	
Vendor: COSRET Costco Retail Services											
005757	12/2/2015	TRG150270	Towels,Detrgnt	6515-000	50.65	0.00	50.65	1/11/2016	16694	01/16	

Database: JOHNSTEWART

Open Status Report

Page: 2
Date: 1/21/2016
Time: 11:11 AM

ENTITY: TRG02
Terrace Gardens

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period
005757	12/2/2015	TRG150270	Microww,Stimps,Logs	6311-000	385.62	0.00	385.62	1/11/2016	16694	01/16
Vendor: DALHAR Dale Hardware Inc.										
158752	12/4/2015	TRG150272	Ladder,CheckValve	6541-000	109.48	0.00	109.48	1/4/2016	16680	01/16
Vendor: FLOMAS DT Floormasters Inc - Hayward										
381609	12/1/2015	TRG150262	Crpt Rplcmnt F204	7230-000	847.22	0.00	847.22	1/4/2016	16681	01/16
Vendor: GRA038 Grainger										
9919927369	12/16/2015	TRG150277	Water Filters	6541-000	206.95	0.00	206.95	1/4/2016	16682	01/16
Vendor: HOMSUP HD Supply Facilities Maintenance										
9142346764	12/10/2015	TRG150273	Keys,WetFlrSign	6532-000	58.75	0.00	58.75	1/4/2016	16683	01/16
9142346764	12/10/2015	TRG150273	Lysol,Shampoo,Comet	6515-000	176.76	0.00	176.76	1/4/2016	16683	01/16
9142492610	12/17/2015	TRG150278	Dust Bag, Bulbs	6541-000	91.94	0.00	91.94	1/15/2016	16709	01/16
9142659165	12/29/2015	TRG150288	White Paint,RecyclFee	6560-000	137.51	0.00	137.51	1/15/2016	16709	01/16
9142659165	12/29/2015	TRG150288	Wedge,Bulbs,Sink	6541-000	165.99	0.00	165.99	1/15/2016	16709	01/16
9142659165	12/29/2015	TRG150288	Broom	6515-000	40.88	0.00	40.88	1/15/2016	16709	01/16
Vendor: JENSMI Jennifer Smith										
MileageDEC	1/5/2016		MilegReimb12/1-12/30	6385-000	3.50	0.00	3.50	1/15/2016	16710	01/16
Vendor: JSCMGT The John Stewart Company										
TRG/MngmtFee	12/31/2015		Dec'15 Mgmt Fee	6320-000	4,972.79	0.00	4,972.79	1/11/2016	16695	01/16
TRG/MngmtFee	12/31/2015		Dec'15 AcctgFee	6351-000	1,224.00	0.00	1,224.00	1/11/2016	16695	01/16
TRG/MngmtFee	12/31/2015		Cpy&Pstg11/21-12/31	6311-000	15.27	0.00	15.27	1/11/2016	16695	01/16

Database: JOHNSTEWART

Open Status Report

Page: 3

ENTITY: TRG02

Terrace Gardens

Date: 1/21/2016
Time: 11:11 AM

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period
TRG/MngmtFee	12/31/2015		StrgChrgs11/21-12/31	6311-000	10.08	0.00	10.08	1/11/2016	16695	01/16
TRG/MngmtFee	12/31/2015		FedEX 11/12,12/10	6311-000	46.92	0.00	46.92	1/11/2016	16695	01/16
TRG/MngmtFee	12/31/2015		PmtgPrjt11/21-12/31	6311-000	7.30	0.00	7.30	1/11/2016	16695	01/16
Vendor: JSCPAY The John Stewart Company										
PP15-26-1TRG	12/18/2015		PP15-26-1 TaxAdjust	6711-000	945.00	0.00	945.00	1/15/2016	16711	01/16
*** This invoice was REOPENED in Expense Period 12/15 ***										
PP15-26-1TRG	12/18/2015		PP15-26-1 FeeAdjust	6311-000	14.22	0.00	14.22	1/15/2016	16711	01/16
*** This invoice was REOPENED in Expense Period 12/15 ***										
Vendor: LANUSA LandCare USA LLC										
8046668	12/16/2015	TRG150267	918JumboPolsOfflws	6536-000	1,514.00	0.00	1,514.00	1/4/2016	16684	01/16
Vendor: METROC Strouss Bros. Construction, Inc.										
8606	12/4/2015	TRG150253	Grind Down Concrte	6542-000	950.00	0.00	950.00	1/15/2016	16712	01/16
Vendor: MORMAN Morrison Management Special										
107422016010	1/4/2016		Svc 12/1-12/31/15	6930-000	41,775.00	0.00	41,775.00	1/15/2016	16713	01/16
Vendor: NEXTCO NextCom										
81268	11/25/2015	TRG150268	Break Room Phone	6311-000	182.16	0.00	182.16	1/4/2016	16685	01/16
Vendor: PACGAS Pacific Gas & Electric										
0072643988-8	12/24/2015		Svc 11/24-12/23/15	6450-000	1,893.10	0.00	1,893.10	1/11/2016	16696	01/16
2203538975-2	12/24/2015		BldgG 11/24-12/23/15	6450-000	1,193.34	0.00	1,193.34	1/11/2016	16696	01/16
2231937481-9	12/24/2015		BldgA 11/24-12/23/15	6450-000	253.76	0.00	253.76	1/11/2016	16696	01/16
3074142913-5	12/27/2015		BldgB 11/24-12/24/15	6450-000	124.61	0.00	124.61	1/15/2016	16714	01/16

Database: JOHNSTEWART

Open Status Report

Page: 4

ENTITY: TRG02

Terrace Gardens

Date: 1/21/2016
Time: 11:11 AM

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period
3157476241-0	12/27/2015		BldgA 11/25-12/24/15	6452-000	108.06	0.00	108.06	1/15/2016	16714	01/16
3699123056-0	12/27/2015		BldgC&D 11/24-12/24	6452-000	170.18	0.00	170.18	1/15/2016	16714	01/16
3902245193-2	12/24/2015		BldgC-D 11/24-12/23	6450-000	235.64	0.00	235.64	1/11/2016	16696	01/16
4824142801-9	1/4/2016		BldgG 12/4-1/4/15	6452-000	1,085.60	0.00	1,085.60	1/15/2016	16714	01/16
4865789648-5	12/27/2015		Svc 11/25-12/24/15	6452-000	735.31	0.00	735.31	1/15/2016	16714	01/16
5407456280-9	12/27/2015		BldgE&F 11/25-12/24	6452-000	265.82	0.00	265.82	1/15/2016	16714	01/16
9001127825-7	12/27/2015		BldgB 11/25-12/24	6452-000	85.70	0.00	85.70	1/15/2016	16714	01/16
9886396791-9	12/24/2015		BldgE-F 11/24-12/23	6450-000	486.98	0.00	486.98	1/11/2016	16696	01/16
Vendor: REPSEB Republic Services, Inc.										
915000843876	12/28/2015		12/11/15-12/31/15	6525-000	3,367.84	0.00	3,367.84	1/11/2016	16697	01/16
Vendor: RESMAN Restoration Management Co Inc										
156309	12/31/2015	TRG150281	A205 SprinklerDamage	6542-000	4,141.50	0.00	4,141.50	1/15/2016	16715	01/16
Vendor: SBC887 AT&T										
4082622494	11/26/2015		6/26/15-11/25/15	6360-000	479.16	0.00	479.16	1/4/2016	16686	01/16
4082622494	11/26/2015		11/26/15-12/25/15	6360-000	91.87	0.00	91.87	1/4/2016	16686	01/16
4082633259	12/10/2015		Svc 12/10-1/9/16	6360-000	95.77	0.00	95.77	1/4/2016	16686	01/16
4082633415	12/10/2015		Svc 12/10-1/9/16	6360-000	116.82	0.00	116.82	1/4/2016	16686	01/16
Vendor: SCAENV Santa Clara Co Dept Of Env Health										
IN1083599	12/11/2015		Health Permit	6719-000	1,946.00	0.00	1,946.00	1/4/2016	16687	01/16
Vendor: STA690 Staples Advantage										
3285580989	11/28/2015	TRG150229	Magenta Tape	6311-000	10.86	0.00	10.86	1/4/2016	16688	01/16

Database: JOHNSTEWART

Open Status Report

Page: 5

ENTITY: TRG02

Terrace Gardens

Date: 1/21/2016

Time: 11:11 AM

All Invoices open at End of Month thru Fiscal Period 12/15

Invoice Number	Invoice Date	P.O. Number	Reference	Account Number	Invoice Amount	Discount Amount	Net Amount	Check Date	Check Number	Check Period
Vendor: STACOM Statcomm Inc.										
106449	11/30/2015	TRG150283	Svc Call_RpairGate	6533-000	152.75	0.00	152.75	1/15/2016	16717	01/16
Vendor: STOMOS Stoney Moss										
DecCellPhn	12/14/2015		Dec'15CellPhneReimb	6360-000	60.00	0.00	60.00	1/4/2016	16689	01/16
Mileage Dec	1/5/2016		Mileage Reimb Fr Dec	6385-000	35.65	0.00	35.65	1/15/2016	16718	01/16
Vendor: TAYPLU Taylor Plumbing Supply Inc.										
SJ1289321	12/21/2015	TRG150280	Toilet Parts	6543-000	44.85	0.00	44.85	1/15/2016	16719	01/16
Vendor: TERGAR Terrace Gardens Service Commiltee										
ChkReq12/15	12/15/2015		Misc RcreationReimb	6992-000	2,145.70	0.00	2,145.70	1/4/2016	16690	01/16
Vendor: TYCINT Tyco Integrated Security LLC										
25419576	12/2/2015	TRG150258	FirPanelSystemRepair	6533-000	488.00	0.00	488.00	1/4/2016	16691	01/16
					Expense Period 12/15 Total:		77,021.11	77,021.11		
					Terrace Gardens Total:		77,021.11	77,021.11		
					Grand Total:		77,021.11	77,021.11		

Terrace Gardens

Accrual

Report includes an open period. Entries are not final.

Current Period Ending December 31, 2015 Current Period Prior Period Change in Period

ASSETS

Current Assets

1110-000	Petty Cash Fund	500.00	500.00	0.00
1120-000	Cash - Operating Checking	67,689.97	58,978.14	8,711.83
1122-000	Cash - Money Market	4,696.95	4,696.15	0.80
1130-000	Tenant Rent Receivable	15.00	30.00	(15.00)
1138-000	A/R Housing Authority	4,431.00	0.00	4,431.00
1140-000	A/R Other	298.00	176.00	122.00
1191-000	Security Deposit Checking	77,433.49	76,933.49	500.00

Total Current Assets **155,064.41** **141,313.78** **13,750.63**

Prepaid Expenses

1240-000	Prepaid Property/Liab Ins	34,156.75	37,870.24	(3,713.49)
1241-000	Prepaid Directors/Off Ins	988.68	1,235.85	(247.17)
1270-000	Prepaid Property Taxes	0.00	526.84	(526.84)
1280-000	Prepaid - Miscellaneous	1,940.45	3,434.25	(1,493.80)
1290-000	Prepaid Misc 2	0.00	68.00	(68.00)

Total Prepaid Expenses **37,085.88** **43,135.18** **(6,049.30)**

Reserves and Escrow

1320-010	Repl. Reserves-MM #1	36,883.57	115,380.18	(78,496.61)
1320-020	Repl Reserves-MM #2	42,107.10	42,099.95	7.15
1320-032	Repl Reserves-CD #3	215,681.77	176,677.03	39,004.74
1320-034	Repl Reserves-CD #5	245,962.75	245,962.75	0.00
1320-036	Repl Reserves-CD #7	248,142.45	248,060.88	81.57
1320-037	Repl Reserves-CD #8	70,293.78	70,293.78	0.00
1320-038	Repl Reserves-CD #9	107,030.03	107,030.03	0.00
1320-042	Repl Reserves-CD #12	216,179.72	216,179.72	0.00
1390-040	Carillon Memorial Maint	795.28	795.14	0.14

Total Reserves and Escrow **1,183,076.45** **1,222,479.46** **(39,403.01)**

Fixed Assets

1410-000	Land	1,565,277.00	1,565,277.00	0.00
1420-000	Buildings	11,744,814.14	11,744,814.14	0.00
1421-000	Building / Leasehold Impr	2,403,892.84	2,403,892.84	0.00
1450-000	Furn & Equip-Tenants' use	283,393.68	283,393.68	0.00
1465-000	Office Furn & Equipment	65,095.70	65,095.70	0.00
1485-000	Construction in Progress	152,199.26	152,199.26	0.00
1495-000	Accumulated Depreciation	(7,474,534.48)	(7,440,469.52)	(34,064.96)

Total Fixed Assets **8,740,138.14** **8,774,203.10** **(34,064.96)**

Other Assets

Deposits

1595-000	Workers Comp. Ins-Deposit	1,386.09	1,386.09	0.00
----------	---------------------------	----------	----------	------

Total Deposits **1,386.09** **1,386.09** **0.00**

TOTAL ASSETS **10,116,750.97** **10,182,517.61** **(65,766.64)**

Terrace Gardens

Accrual

Report includes an open period. Entries are not final.

Current Period Ending	December 31, 2015	Current Period	Prior Period	Change in Period
-----------------------	-------------------	----------------	--------------	------------------

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities

2110-000	Accounts Payable	77,021.11	74,169.95	2,851.16
2113-000	Accrued Accounts Payable	16,573.77	7,775.00	8,798.77
2120-000	Wages Payable	10,528.11	6,661.37	3,866.74
2120-010	401K Match Accrual	2,804.07	2,570.40	233.67
2125-000	Accrued Vacation Payable	14,038.25	14,189.94	(151.69)
2157-000	Use Tax Payable	58.42	58.42	0.00
2191-000	Tenant Security Deposits	77,100.00	76,600.00	500.00
2192-000	Security Deposit Interest	333.49	333.49	0.00

Total Current Liabilities

198,457.22 182,358.57 16,098.65

Prepaid Income

2210-000	Prepaid Rent	4.00	30.50	(26.50)
2230-000	Deferred Laundry Income	0.00	158.53	(158.53)

Total Prepaid Income

4.00 189.03 (185.03)

Long-Term Liabilities

TOTAL LIABILITIES

198,461.22 182,547.60 15,913.62

Equity

Owners Equity

Retained Earnings

3210-000	Accumulated Earnings	10,331,712.97	10,331,712.97	0.00
3250-000	Profit/Loss Year-to-Date	(413,423.22)	(331,742.96)	(81,680.26)

Total Retained Earnings

9,918,289.75 9,999,970.01 (81,680.26)

TOTAL LIABILITIES AND EQUITY

10,116,750.97 10,182,517.61 (65,766.64)

For the 12 months ending December 31, 2015
 Report includes an open period. Entries are not final.

Accrual

	Thru:	Current Period			Variance	Actual Dec 2015	Year-To-Date Budget Dec 2015	Variance
		Actual Dec 2015	Budget Dec 2015					
PROJECT REVENUE								
Gross Rent Potential								
5120-000 Rental Income - Tenant		91,532.00	94,994.00	(3,462.00)	1,094,332.00	1,139,938.00	(45,606.00)	-4.00%
5122-000 Housing Authority Income		26,394.00	8,040.00	18,354.00	166,091.00	96,480.00	69,611.00	72.15%
5123-000 Rent Adj -Residential		1,240.00	1,240.00	0.00	14,880.00	14,880.00	0.00	0.00%
5140-000 Commercial Income		1,500.00	458.00	1,042.00	12,400.00	5,500.00	6,900.00	125.45%
5190-000 Grant Income		0.00	0.00	0.00	112,713.25	0.00	112,713.25	0.00%
Total Gross Rent Potential		120,666.00	104,732.00	15,934.00	1,400,416.25	1,256,798.00	143,618.25	11.43%
Vacancies								
5220-000 Vacancy-Residential		0.00	(458.00)	458.00	(2,327.00)	(5,500.00)	3,173.00	57.69%
5250-000 Rental Concessions		0.00	0.00	0.00	(135.00)	0.00	(135.00)	0.00%
Total Vacancies		0.00	(458.00)	458.00	(2,462.00)	(5,500.00)	3,038.00	55.24%
Financial Revenue								
5410-000 Interest Inc - Operating		0.94	0.00	0.94	11.43	0.00	11.43	0.00%
5440-000 Interest Inc - Reserves		102.27	0.00	102.27	2,065.37	0.00	2,065.37	0.00%
Total Financial Revenue		103.21	0.00	103.21	2,076.80	0.00	2,076.80	
Other Income								
5710-000 Food Program		41,533.00	40,279.00	1,254.00	492,141.50	483,356.00	8,785.50	1.82%
5910-000 Laundry Income		568.12	365.00	203.12	4,003.65	4,388.00	(384.35)	-8.76%
5920-000 NSF & Late Charges		45.00	45.00	0.00	530.00	550.00	(20.00)	-3.64%
5925-000 Keys		25.00	48.00	(23.00)	225.00	586.00	(361.00)	-61.60%
5930-000 Clean/Damage/Maintenance		0.00	83.00	(83.00)	332.00	1,000.00	(668.00)	-66.80%
5940-000 Credit Report Fees		37.00	0.00	37.00	37.00	0.00	37.00	0.00%
5990-000 Miscellaneous Income		0.00	20.00	(20.00)	10,855.54	250.00	10,605.54	4242.22%
Total Other Income		42,208.12	40,840.00	1,368.12	508,124.69	490,130.00	17,994.69	3.67%
TOTAL REVENUE		162,977.33	145,114.00	17,863.33	1,908,155.74	1,741,428.00	166,727.74	9.57%
PROJECT EXPENSES								

For the 12 months ending December 31, 2015
 Report includes an open period. Entries are not final.

Accrual

Thru:	Current Period		Year-To-Date		Variance
	Actual Dec 2015	Budget Dec 2015	Actual Dec 2015	Budget Dec 2015	
CF AFTER RESERVE, DEPR, PRINCIPAL AND DEF	(8,212.29)	3,161.00	82,581.71	37,744.00	44,837.71
					118.79%

OTHER INDICATORS

(Increase) Decrease in Prepaid Expenses	6,049.30	0.00	(2,523.71)	0.00	2,523.71
(Increase) Decrease in Accounts Receivable	(4,538.00)	0.00	(4,420.13)	0.00	4,420.13
Increase (Decrease) in Accounts Payable	15,598.65	0.00	(23,147.34)	0.00	23,147.34
Increase (Decrease) in Prepaid Liabilities	(185.03)	0.00	(2,267.66)	0.00	2,267.66

Monthly Unit Gross Potential Activity Report

Community = Terrace Gardens (13)

By GL Report Date

As Of 12/31/2015

Month = Dec 2015

Amenities Mode = Exclude Amenities

Terrace Gardens (13)

Apt Nbr	Subsidy Billed	Utility Reimbursement	Total Billed To A/R	Overage/ Excess Rent	Lost Rent	Vacancy	Total Billed	Unit Gross Potential	Variance	Concessions	Total Billed After Concessions
A-101			717.00				717.00	717.00			717.00
A-102	284.00		1,419.00				1,419.00	1,419.00			1,419.00
A-103	825.00		825.00				825.00	825.00			825.00
A-104	449.00		449.00				449.00	449.00			449.00
A-105	717.00		717.00				717.00	717.00			717.00
A-106	449.00		449.00				449.00	449.00			449.00
A-201	540.00		540.00				540.00	540.00			540.00
A-202	760.00		760.00				760.00	760.00			760.00
A-203	825.00		825.00				825.00	825.00			825.00
A-204	717.00		717.00				717.00	717.00			717.00
A-205	717.00		717.00				717.00	717.00			717.00
A-206	717.00		717.00				717.00	717.00			717.00
B-101	658.00		658.00				658.00	658.00			658.00
B-102	449.00		449.00				449.00	449.00			449.00
B-103	468.00		468.00				468.00	468.00			468.00
B-104	449.00		449.00				449.00	449.00			449.00
B-105	717.00		717.00				717.00	717.00			717.00
B-106	717.00		717.00				717.00	717.00			717.00
B-201	281.00		281.00				281.00	281.00			281.00
B-202	738.00		738.00				738.00	738.00			738.00
B-203	738.00		738.00				738.00	738.00			738.00
B-204	717.00		717.00				717.00	717.00			717.00
B-205	717.00		717.00				717.00	717.00			717.00
B-206	449.00		449.00				449.00	449.00			449.00
C-101	449.00		449.00				449.00	449.00			449.00
C-102	737.00		737.00				737.00	737.00			737.00
C-103	508.00		508.00				508.00	508.00			508.00
C-104	717.00		717.00				717.00	717.00			717.00
C-201	544.00		544.00				544.00	544.00			544.00
C-202	679.00		679.00				679.00	679.00			679.00
C-203	760.00		760.00				760.00	760.00			760.00
C-204	281.00		281.00				281.00	281.00			281.00
D-101	717.00		717.00				717.00	717.00			717.00
D-102	679.00		679.00				679.00	679.00			679.00
D-103	452.00		452.00				452.00	452.00			452.00
D-104	249.00		249.00				249.00	249.00			249.00
D-105	449.00		449.00				449.00	449.00			449.00
D-106	234.00		234.00				234.00	234.00			234.00
D-201	468.00		468.00				468.00	468.00			468.00
D-202	385.00		385.00				385.00	385.00			385.00
D-203	540.00		540.00				540.00	540.00			540.00
D-204	717.00		717.00				717.00	717.00			717.00
D-205	717.00		717.00				717.00	717.00			717.00
D-206	825.00		825.00				825.00	825.00			825.00
E-101	760.00		760.00				760.00	760.00			760.00
E-102	717.00		717.00				717.00	717.00			717.00
E-103	509.00		509.00				509.00	509.00			509.00
E-104	717.00		717.00				717.00	717.00			717.00
E-201	737.00		737.00				737.00	737.00			737.00
E-202	490.00		490.00				490.00	490.00			490.00
E-203	510.00		510.00				510.00	510.00			510.00

Monthly Unit Gross Potential Activity Report

Terrace Gardens (13) continued...

Apt Nbr	Rent Billed	Subsidy Billed	Utility Reimbursement	Total Billed To AVR	Overage/ Excess Rent	Lost Rent	Vacancy	Total Billed	Unit Gross Potential	Variance	Concessions	Total Billed After Concessions
E-204	717.00			717.00				717.00	717.00			717.00
E-301	737.00			737.00				737.00	737.00			737.00
E-302	717.00			717.00				717.00	717.00			717.00
E-303	717.00			717.00				717.00	717.00			717.00
E-304	294.00	1,125.00		1,419.00				1,419.00	1,419.00			1,419.00
E-401	737.00			737.00				737.00	737.00			737.00
E-402	737.00			737.00				737.00	737.00			737.00
E-403	331.00	1,088.00		1,419.00				1,419.00	1,419.00			1,419.00
E-404	678.00			678.00				678.00	678.00			678.00
F-101	717.00			717.00				717.00	717.00			717.00
F-102	738.00			738.00				738.00	738.00			738.00
F-103	717.00			717.00				717.00	717.00			717.00
F-104	717.00			717.00				717.00	717.00			717.00
F-105	760.00			760.00				760.00	760.00			760.00
F-106	284.00			284.00				284.00	284.00			284.00
F-201	449.00			449.00				449.00	449.00			449.00
F-202	717.00			717.00				717.00	717.00			717.00
F-203	717.00			717.00				717.00	717.00			717.00
F-204	825.00			825.00				825.00	825.00			825.00
F-205	786.00			786.00				786.00	786.00			786.00
F-206	452.00	967.00		1,419.00				1,419.00	1,419.00			1,419.00
F-301	717.00			717.00				717.00	717.00			717.00
F-302	555.00	864.00		1,419.00				1,419.00	1,419.00			1,419.00
F-303	717.00			717.00				717.00	717.00			717.00
F-304	505.00			505.00				505.00	505.00			505.00
F-305	825.00			825.00				825.00	825.00			825.00
F-306	449.00			449.00				449.00	449.00			449.00
F-401	449.00			449.00				449.00	449.00			449.00
F-402	717.00			717.00				717.00	717.00			717.00
F-403	717.00			717.00				717.00	717.00			717.00
F-404	717.00			717.00				717.00	717.00			717.00
F-405	449.00			449.00				449.00	449.00			449.00
F-406	533.00			533.00				533.00	533.00			533.00
G-101	760.00			760.00				760.00	760.00			760.00
G-102	738.00			738.00				738.00	738.00			738.00
G-103	746.00	2,572.00		3,318.00				3,318.00	3,318.00			3,318.00
G-104	825.00			825.00				825.00	825.00			825.00
G-105	277.00	1,142.00		1,419.00				1,419.00	1,419.00			1,419.00
G-106	449.00			449.00				449.00	449.00			449.00
G-107	717.00			717.00				717.00	717.00			717.00
G-108	760.00			760.00				760.00	760.00			760.00
G-109	760.00			760.00				760.00	760.00			760.00
G-110	717.00			717.00				717.00	717.00			717.00
G-111	717.00			717.00				717.00	717.00			717.00
G-112	449.00			449.00				449.00	449.00			449.00
G-113	717.00			717.00				717.00	717.00			717.00
G-114	717.00			717.00				717.00	717.00			717.00
G-115	479.00	307.00		786.00				786.00	786.00			786.00
G-117	449.00			449.00				449.00	449.00			449.00
G-118	717.00			717.00				717.00	717.00			717.00
G-119	717.00			717.00				717.00	717.00			717.00
G-201	449.00			449.00				449.00	449.00			449.00
G-202	717.00			717.00				717.00	717.00			717.00
G-203	679.00			679.00				679.00	679.00			679.00
G-204	717.00			717.00				717.00	717.00			717.00
G-205	760.00			760.00				760.00	760.00			760.00
G-206	449.00			449.00				449.00	449.00			449.00

Monthly Unit Gross Potential Activity Report

Terrace Gardens (13) continued...

Apt Nbr	Rent Billed	Subsidy Billed	Utility Reimbursement	Total Billed To A/R	Coverage/ Excess Rent	Lost Rent	Vacancy	Total Billed	Unit Gross Potential	Variance	Concessions	Total Billed After Concessions
G-207	717.00			717.00				717.00	717.00			717.00
G-208	673.00			673.00				673.00	673.00			673.00
G-209	449.00			449.00				449.00	449.00			449.00
G-210	786.00			786.00				786.00	786.00			786.00
G-211	282.00	1,157.00		1,419.00				1,419.00	1,419.00			1,419.00
G-212	449.00			449.00				449.00	449.00			449.00
G-213	717.00			717.00				717.00	717.00			717.00
G-214	717.00			717.00				717.00	717.00			717.00
G-215	277.00	1,142.00		1,419.00				1,419.00	1,419.00			1,419.00
G-217	717.00			717.00				717.00	717.00			717.00
G-218	738.00			738.00				738.00	738.00			738.00
G-219	717.00			717.00				717.00	717.00			717.00
G-301	717.00			717.00				717.00	717.00			717.00
G-302	284.00	1,135.00		1,419.00				1,419.00	1,419.00			1,419.00
G-303	760.00			760.00				760.00	760.00			760.00
G-304	717.00			717.00				717.00	717.00			717.00
G-305	499.00			499.00				499.00	499.00			499.00
G-306	786.00			786.00				786.00	786.00			786.00
G-307	717.00			717.00				717.00	717.00			717.00
G-308	277.00	1,142.00		1,419.00				1,419.00	1,419.00			1,419.00
G-309	760.00			760.00				760.00	760.00			760.00
G-310	449.00			449.00				449.00	449.00			449.00
G-311	449.00			449.00				449.00	449.00			449.00
G-312	167.00	619.00		786.00				786.00	786.00			786.00
G-313	526.00			526.00				526.00	526.00			526.00
G-314	738.00			738.00				738.00	738.00			738.00
G-315	717.00			717.00				717.00	717.00			717.00
G-317	717.00			717.00				717.00	717.00			717.00
G-318	717.00			717.00				717.00	717.00			717.00
G-319	540.00			540.00				540.00	540.00			540.00
G-401	576.00			786.00				786.00	786.00			786.00
G-402	540.00	210.00		540.00				540.00	540.00			540.00
G-403	760.00			760.00				760.00	760.00			760.00
G-404	717.00			717.00				717.00	717.00			717.00
G-405	760.00			760.00				760.00	760.00			760.00
G-406	527.00			527.00				527.00	527.00			527.00
G-409	738.00			738.00				738.00	738.00			738.00
G-410	717.00			717.00				717.00	717.00			717.00
G-411	717.00			717.00				717.00	717.00			717.00
G-412	717.00			717.00				717.00	717.00			717.00
G-S01	620.00			620.00				620.00	620.00		(620.00)	717.00
G-S02	620.00			620.00				620.00	620.00		(620.00)	717.00
Total for Community:	92,772.00	26,394.00	0.00	119,166.00	0.00	0.00	0.00	119,166.00	119,166.00	0.00	(1,240.00)	117,926.00

Unit Activity Report (Move-In/Move-Out/Transfer)

Printed on: 1/18/16 4:46 pm

Community = Terrace Gardens (13)
 Date Range = 12/01/2015 - 12/31/2015
 Amenities Mode = Exclude Amenities

Community	Apt Nbr	Tenant	In Date	Out Date	Activity Type	Transfer	Funding Program	Income Layer
Terrace Gardens	F-204	Chagani, Gulshakar	12/01/15		Move In		Conventional	Conventional
Terrace Gardens	B-101	Marsh, Robert	09/16/05	12/31/15	Move Out			

Vacancy Expense Report

Printed on: 1/18/16 4:45 pm

Community = Terrace Gardens (13)
By GL Report Date
For Dates 12/01/2015 thru 12/31/2015
Unit/Event Detail
Amenities Mode = Exclude Amenities

Terrace Gardens (13)

<u>Apt#</u>	<u>HH ID</u>	<u>Unit Rent</u>	<u>Event Date</u>	<u>Charge</u>	<u>Credit</u>	<u>Total</u>	<u>Days Vacant In Period</u>	<u>Vacant At End Of Period</u>
F-204		825.00	12/01/15	738.00	0.00	738.00		0
F-204		825.00	12/01/15	0.00	(738.00)	(738.00)		0
Total For 204				<u>738.00</u>	<u>(738.00)</u>	<u>0.00</u>	0	
Total For Terrace Gardens				<u>738.00</u>	<u>(738.00)</u>	<u>0.00</u>		<u>0</u>



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Application **MUST** be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: The Health Trust Date: February 1, 2016

Address: 3180 Newberry Drive Suite 200
Street Address *Suite Number*

San Jose CA 95118
City *State* *ZIP Code*

Phone: (408) 513-8709 Email: MaiaB@healthtrust.org

Executive Director: Frederick J. Ferrer

Project Manager (PM): Teresa Johnson, Meals on Wheels Program Director

PM's Phone: (408) 961-9804 PM's Email: TeresaJ@healthtrust.org

DUNS #: 011506016

Type of Agency:

- 501 (c)(3)
 Government or Public Agency
 For - Profit
 Faith Based
 Other:

Project Category
(Check only one):

- Public Service
 Economic Development
 Capital Improvement Project (CIP)/non-public services

Agency's Mission: The MISSION of The Health Trust is to lead the Silicon Valley community to advance wellness. Our VISION is to make Silicon Valley healthier for everyone - and a place where every resident can achieve optimal health throughout his or her lifetime, irrespective of background, income, race, ethnicity, or age.

Section B: Funding Request

Total funding requested for this project	\$10,000
Total cost of project	\$52,800 (Milpitas)
Other funds leverage for project i.e. Private Donations (estimation)	\$42,800
Other funds not secured by project	N/A
Are you getting County assistance, if so, please list	N/A

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

The Health Trust is committed to ensuring ongoing Meals On Wheels program services for homebound residents who are at nutritional risk. To successfully implement these services, The Health Trust is focused on strengthening current partnerships (such as with the City of Milpitas) while exploring new opportunities. By leveraging various types of support for key components of the program, we are able to provide effective, efficient services. Our efforts to leverage funds from other resources include solicitation of funding from corporations, foundations, government entities, and individual donors. Current funders for our overall countywide Meals On Wheels program include Sourcewise; Applied Materials Foundation; RBC Wealth Management; The BFF Inc.; Jockers Family Foundation; Meals on Wheels America; Los Gatos Community Foundation; the County of Santa Clara Social Services Agency; Cities of San Jose, Sunnyvale, Milpitas, and Mountain View; and additional smaller contributors.

The Health Trust is committed to providing our Meals On Wheels services, and we will continue to seek additional revenue to sustain the program. However, if less than full funding is received and no alternative funding is secured, The Health Trust may be required to reduce the number of homebound Milpitas seniors who can be served and/or reduce the number of meals which can be delivered to Milpitas clients. Those clients who are partially funded are less likely to be eliminated when cuts are required.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

2011 – awarded \$5,000
 2012 – awarded \$5,000
 2013 – awarded \$5,000
 2014 – awarded \$5,000
 2015 – awarded \$5,000
 2016 – awarded \$6,350.69

Section C: Project Eligibility

County-wide program: homebound, disabled adults (age 18 and older) who are at nutritional risk (i.e., have difficulty or are unable to shop and/or cook for themselves)

Targeted Clientele: Milpitas program: homebound, disabled seniors who are at nutritional risk

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

The Health Trust's Meals On Wheels program supports the health and well-being of homebound residents who are at NUTRITIONAL RISK. The program provides home-delivered HOT MEALS each weekday that meet the Older Americans Act Title 22 nutritional guidelines (providing 1/3 of the recommended daily requirements). Chilled lunches are delivered on Fridays for weekend consumption. Drivers are often the only person with whom clients interact each day. With each meal delivery, drivers conduct a WELLNESS CHECK: drivers are trained to note changes in whether or not meals are being eaten. This has been a lifesaving service as drivers have found clients who have fallen or had medical emergencies. Each month, approximately 30 reports are submitted by drivers and immediately investigated by staff to ensure client safety. Additional services include CASE MANAGEMENT; referrals; educational WELLNESS RESOURCES; and a free pet food program. In 2016-17, The Health Trust anticipates serving 650 county residents; 20 of these will be Milpitas residents, 10 of whom will be seniors and will be partially funded by this grant.

The measurable process OUTCOMES for The Health Trust's services in Milpitas (which will be partially supported by City funds) are:

1. To serve 10 homebound Milpitas seniors (out of a total of 20 Milpitas clients)
2. To provide 2,400 nutritionally-balanced, home-delivered meals to those 10 City-funded seniors
3. To provide 1,600 Wellness Checks with weekday deliveries to those 10 City-funded seniors
4. To provide 10 Wellness Resources (print information) each quarter to each of the 10 City-funded seniors

The measurable OUTCOME OBJECTIVE is that 95% of clients will indicate that the program helped them to remain independent in their own home. Program effectiveness is measured by the degree to which objectives are met. Program records are used to track objectives, while our twice-yearly client survey is used to track client satisfaction and outcome objectives.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

- Abused children
- Elderly persons 62 years or older
- Battered persons
- Severely disabled adults (not children) as defined by the Census
- Illiterate adults
- Persons living with HIV/AIDS
- Migrant farm workers
- Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

- Single Family (must be 100% LMI)
- Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current: FY15-16)	Projected Numbers - County- Wide (Future: FY16-17)	# of Milpitas Clients Served (Future: FY16-17)
1. What is the total number of unduplicated clients to serve in past fiscal year?	600 county-wide 20 Milpitas residents—7 of whom are partially funded by the City grant	650 county-wide	20 Milpitas residents—10 of whom will be seniors and will be partially funded by the City grant
2. Cost Per Client Annually	Approx. \$1,495	Approx. \$1,570	Approx. \$2,640
3. How many are low- and very-low income?	County-wide, we estimate that 90% of clients (approx. 540) are low- or very-low income All of the partially-City-funded Milpitas clients (7) are low- and very-low income	County-wide, we estimate that 90% of clients (approx. 540) will be low- or very-low income	All 10 partially-City-funded Milpitas clients will be low- or very-low income
4. Will the proposed assistance result in increase in clients? State projected number.	N/A	Yes	Yes
5. What is the total number of unduplicated clients/households to be served?	600 county-wide 20 Milpitas residents—7 of whom are partially funded by the City grant	We expect to serve an additional 50 clients county-wide	We expect to continue to serve a total of 20 Milpitas residents. In FY15-16, seven of those are seniors and are partially supported by the City. FY16-17 funding from the City will partially support an additional three Milpitas clients, all of whom will be seniors, for a total of 10.

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Past CDBG funds from The City of Milpitas paid for meal cost and staffing.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Verification of client information (including verification of income) is collected during the initial assessment and annual re-assessments and home visits are conducted by Meals On Wheels team members. Client data is entered into our client database software (SERVTRACKER), which tracks demographics, income, health information and other information such as emergency contacts, billing information, etc. We can track client data by city, income or a variety of other options. We do a client satisfaction survey twice per year to track the impact of the program on the health and well-being of those we serve. In addition to our surveys, we have two Bachelor of Social Work interns who make home visits to our clients once per year, or as needed. The interns are trained and supervised by our staff Social Worker.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

The Health Trust performs a variety of different outreach activities in order to raise awareness about the Meals On Wheels program in the community and recruit new clients. First of all, program staff members are in regular contact with a senior community center in Milpitas, as well as other community centers. We also provide Meals On Wheels program information to food pantries, such as the Food Pantry in Milpitas and Second Harvest Food Bank, and conduct extensive outreach to local healthcare facilities such as Kaiser, Santa Clara County Health Plan, among others. Furthermore, we advertise on our website (<http://healthtrust.org/services/meals-on-wheels/>) and in The Health Trust Newsletter publications.

The majority of our referrals come from word-of-mouth about the program; usually, family or friends of current clients call us after hearing about the program. In light of limited funding, we have had no trouble satisfying the number of clients proposed in this grant, as well as offering our services to other Milpitas clients as funding allows. In fact, we have received funding from Sourcewise (formerly known as the Council on Aging), which has helped us provide for other Milpitas clients.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.

[Handwritten Signature]
Signature of Executive Officer

[Handwritten Date]
Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING - 2016-2017

Project Name: Meals on Wheels - Milpitas Project

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	\$ 4,300	\$ 15,119	\$ 19,419	(*SEE FOOTNOTE)
Benefits	\$ 1,140	\$ 4,392	\$ 5,532	
Supplies		\$ 1,984	\$ 1,984	
Cost of Meals	\$ 4,560	\$ 13,680	\$ 18,240	
Purchased Services		\$ 1,470	\$ 1,470	
Building and Equipment Rental		\$ 1,347	\$ 1,347	
Insurance		\$ 222	\$ 222	
Utilities/Telephone		\$ 836	\$ 836	
Travel/Mileage		\$ 1,931	\$ 1,931	
Postage		\$ 106	\$ 106	
Other Operating Expenses		\$ 569	\$ 569	
Depreciation & Amortization		\$ 1,144	\$ 1,144	
TOTAL	\$ 10,000	\$ 42,800	\$ 52,800	

*Funding from Other Sources includes contributions from individual donors (annual direct mail and online campaigns) and grants from corporations and foundations. Grant partners include Sourcewise (\$75,000); The Applied Materials Foundation (\$10,000); The BFF Inc. (\$5,000); RBC Wealth Management (\$3,000); and Meals on Wheels America (\$1,500).

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Meals On Wheels – Milpitas Project

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Meals On Wheels Program Director	3% to Milpitas activities	Manage/supervise delivery of meals and services; coordinate volunteers and social work interns	To manage provision of 2,400 meals, 1,600 Wellness Checks, and wellness resources for 10 Milpitas seniors (partially funded by City)
Meals On Wheels Program Coordinator	3% to Milpitas activities	Prepare correspondence and reports; provide customer service to clients and meal preparation sites; manage volunteers; provide route coordination; and support the Program Director	To support the provision of 2,400 meals, 1,600 Wellness Checks, and wellness resources for 10 Milpitas seniors (partially funded by City)

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: February 1, 2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Meals On Wheels – Milpitas Project

Project Coordinator: Teresa Johnson, Director

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Provide home-delivered meals (2,400)	200	200	200	200	200	200	200	200	200	200	200	200
Provide Wellness Checks with meal delivery (1,600)	133	134	133	134	133	134	133	134	133	133	133	133
Provide wellness resources (10 documents per client per quarter x 4 quarters x 10 seniors = 400)	100			100			100			100		

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Maia Bookoff

Title Senior Grant Writer

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Meals on Wheels - Milpitas Project

Date: February 1, 2016

LINE ITEM	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	\$ 1,618	\$ 1,619	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,619	\$ 1,618	\$ 1,619	\$ 1,618	\$ 1,618	\$ 19,419
Benefits	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 5,532
Supplies	\$ 165	\$ 166	\$ 165	\$ 166	\$ 165	\$ 166	\$ 165	\$ 166	\$ 165	\$ 165	\$ 165	\$ 165	\$ 1,984
Cost of Meals	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 18,240
Purchased Services	\$ 123	\$ 122	\$ 123	\$ 122	\$ 123	\$ 122	\$ 122	\$ 122	\$ 123	\$ 122	\$ 123	\$ 123	\$ 1,470
Building and Equipment Rental	\$ 112	\$ 113	\$ 112	\$ 113	\$ 112	\$ 112	\$ 112	\$ 112	\$ 112	\$ 112	\$ 112	\$ 113	\$ 1,347
Insurance	\$ 19	\$ 18	\$ 19	\$ 18	\$ 19	\$ 18	\$ 19	\$ 18	\$ 19	\$ 18	\$ 19	\$ 18	\$ 222
Utilities/Telephone	\$ 70	\$ 69	\$ 70	\$ 69	\$ 70	\$ 69	\$ 70	\$ 69	\$ 70	\$ 70	\$ 70	\$ 70	\$ 836
Travel/Mileage	\$ 161	\$ 160	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 1,931
Postage	\$ 9	\$ 8	\$ 9	\$ 8	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 106
Other Operating Expenses	\$ 47	\$ 48	\$ 47	\$ 48	\$ 47	\$ 48	\$ 47	\$ 48	\$ 47	\$ 48	\$ 47	\$ 47	\$ 569
Depreciation & Amortization	\$ 95	\$ 96	\$ 95	\$ 96	\$ 95	\$ 96	\$ 96	\$ 95	\$ 95	\$ 95	\$ 95	\$ 95	\$ 1,144
TOTAL	\$ 4,400	\$ 52,800											



CERTIFICATE OF ASSISTANT SECRETARY

I, the undersigned, do hereby certify:

1. That I am duly elected and acting Assistant Secretary of The Health Trust, a California nonprofit public benefit corporation;
2. That the attached resolutions were duly adopted by its Board of Trustees on September 27, 2012 and remain in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate as of the 22nd day of January, 2016.

A handwritten signature in black ink, appearing to read "Todd J. Hansen", written over a horizontal line.

Todd J. Hansen
Assistant Secretary

RESOLVED, that the executive officers of the corporation (CEO, COO and CFO) are authorized to apply for funding to support the programmatic activities and Initiatives of the corporation, to negotiate and execute all contracts or grant awards that provide funding for said programmatic activities and Initiatives, to complete and submit all reports, invoices, budget modifications and contract amendments in connection therewith.

FUTHER RESOLVED, that the CEO is authorized to delegate authority for the activities in the foregoing resolution as he deems necessary or prudent.



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:
Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: YWCA Silicon Valley Date: 2-9-16

Address: 375 S. Third Street
Street Address *Suite Number*

San Jose CA 95112
City *State* *ZIP Code*

Phone: 408-295-4011 Email: acaldera@ywca-sv.org

Executive Director: Tanis Crosby

Project Manager (PM): Adriana Caldera

PM's Phone: 408-295-4011 x 373 PM's Email: acaldera@ywca-sv.org

DUNS #: 932445737

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

The YWCA Silicon Valley's Mission is to eliminate racism, empower women, and promote peace, justice, freedom and dignity for all.

Section B: Funding Request

Total funding requested for this project	\$10,000
Total cost of project	\$2,916,439
Other funds leverage for project i.e. Private Donations (estimation)	\$2,906,439
Other funds not secured by project	\$0
Are you getting County assistance, if so, please list	SSA: \$119,109; Unmet Legal Needs: \$1452; Adult PREA: \$51,368; Youth PREA: \$27,467

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

The YWCA Silicon Valley has an over one-hundred-year record of fiscal stability, and maintains diverse revenue streams through public grants/contracts, consistent earned income, and contributions from private (individual, corporate, and foundation) donors, which support its nearly six-million-dollar annual budget. The YWCA's programs are designed with sustainability in mind, and the agency strives to build diverse portfolios of funders to ensure collaboration and leveraging opportunities. Additionally, the YWCA's Support Services Department (domestic violence, sexual assault and human trafficking) leverages program funding with in-kind volunteer hours generated through a comprehensive Volunteer Program. The YWCA is committed to stretching every dollar to its fullest potential to best serve the community and those who invest in the organization.

In the event that less than full funding is available, the YWCA Silicon Valley will continue to search for diversified avenues of funding. The YWCA remains committed to sustaining existing and cultivating new sources of funding to continue providing critical, live-saving services for victims of domestic violence throughout Santa Clara County, including the City of Milpitas.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Yes: 15/16: \$5,078.56; 14/15: \$5,000; 13/14: \$5,000; 10/11: \$5,439; 09/10: \$5,000

Section C: Project Eligibility

Targeted Clientele: City of Milpitas residents in need of emergency/non-emergency domestic violence services.

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- X Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

OVERVIEW

For over 35 years, the YWCA Silicon Valley has been delivering life-saving domestic violence support services to families suffering from abuse. The Support Services Department (comprised of domestic violence, sexual assault and human trafficking programs) aims to empower our diverse community to live free from domestic violence through the provision of safety, support services and self-empowerment. As such, we provide the services necessary to help survivors find the physical and emotional safety they need to overcome barriers created by their experiences with domestic violence.

NEED

Victims of domestic violence are at an increased risk of homelessness, violence, and even death when they attempt to escape abuse. The critical element in making the decision to leave an abusive relationship is a victim's knowledge that she and her children will find safety. When battered women are not able to obtain affordable housing or shelter to escape violence, they are thrust into choosing between life with their abuser and life on the streets with their family. In fact, domestic violence is one of the leading causes of homelessness for women and children in the U.S., and in Santa Clara County.

The U.S. DOJ reports that one in four homeless women are homeless because of violence committed against her. Here at home, according to the 2015 Santa Clara County Point-in-Time Count Report, nearly half of respondents of families with children reported having experienced domestic violence (47%). Nineteen percent of households interviewed said that domestic violence was their primary cause of homelessness, following job loss at 21%.

ACTIVITIES

The vital funding provided by the City of Milpitas will allow the YWCA's Support Services Department to provide the following essential services to 93 low- and very-low income individuals:

Crisis Services:

The YWCA Domestic Violence Department operates Santa Clara County's only 24-hour toll-free bilingual (English/Spanish) crisis hotline for survivors of domestic violence. Callers receive information on agency services, safety planning and counseling.

Emergency Shelter:

Women and children in immediate danger of domestic violence are supplied with confidential emergency shelter. The shelter hosts 16 beds, and is comprised of three residential apartments. Residents are provided with nutritious and culturally appropriate food from the shelter's food pantry. Residents also receive clothing, bedding, toiletries and diapers. The shelter serves as a safe home for clients for 45-60 days. Clients receive case management and agency services as determined by their unique needs.

Comprehensive Case Management:

Following our client empowerment model, Bilingual Shelter Advocates work individually with women and children residing in our shelter to determine what agency services (such as counseling, support groups, individual and group therapy, children's play therapy and legal assistance) each individual wishes to pursue.

Counseling Services:

Domestic violence can cause severe physical, mental, and emotional abuse. Our counseling program offers short and long-term therapy, psychotherapy, support groups and culturally competent crisis counseling for women,

children, and men.

Legal Services:

Legal Advocates provide victim advocacy, court accompaniment, legal information and referrals to assist clients with restraining orders, immigration, divorce proceedings and child custody.

Victim Advocacy Project:

Staff partner with local police departments to contact police-reported victims of domestic violence to inform them of their rights and resources. In addition to providing these services to victims of domestic violence, VAP uniquely fosters relationships between victims and law enforcement, building a stronger, more cohesive community.

TARGET POPULATION & BENEFICIARIES

The YWCA's Support Services Department provides services to anyone that is in need of emergency or non-emergency assistance from domestic violence—from all socioeconomic backgrounds, ethnicities, and ages. In FY 2014-2015, 92% of all clientele fell within the extremely low to low income categories, as defined by the U.S. Department of Housing and Urban Development (HUD). The breakdown of total client ethnicities was as follows: 53% Latino; 21% Caucasian; 14% Asian; 9% African American; 2% Native American; and 1% Hawaiian/Pacific Islander. Clients served in FY 2014-2015 represented the following ages: 20% were 0-17; 11% were 18-24; 66% were 25-59; and 3% were 60 or older.

GOALS

The Program has four main goals:

- 1) to provide women, children, families and men living in dangerous domestic violence environments with emergency shelter (for 30-60 days) and basic needs (food, clothing, toiletries, infant formula etc.),
- 2) to enable survivors of domestic violence to increase their safety options through safety planning,
- 3) to provide a network of support via counseling, therapy, legal advocacy or comprehensive case management services, and
- 4) to connect survivors with community information and referrals.

STAFFING & MANAGEMENT

The YWCA's Support Services Department draws on the collective talent of 34 staff members, eight Marriage and Family Therapist (MFT) intern/trainees, and over 275 volunteers. The Department is supervised by a management team comprised of the following: Director of Support Services, Shelter Manager, Advocacy Manager, Outreach and Education Manager, Crisis Manager and Housing Program Manager. The management team meets on a weekly basis to ensure programmatic success.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

Abused children

Elderly persons 62 years or older

Battered persons

Severely disabled adults (not children) as defined by the Census

Illiterate adults

Persons living with HIV/AIDS

Migrant farm workers

Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

Single Family (must be 100% LMI)

Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	1071	1100	FY 14-15: <ul style="list-style-type: none"> • Provided 20 individuals with direct services (counseling, legal, shelter) • Provided 110 survivors crisis counseling/DV info./referrals through redacted police reports • Provided 26 individuals crisis counseling/support through 24-hour crisis line (Note: cannot verify that confidential calls to crisis line are unduplicated clients.)
2. Cost Per Client Annually	Varies by service category	Varies by service category	An average of \$108 (Varies depending on type of service provided, i.e. shelter vs. counseling vs. crisis call.)
3. How many are low- and very-low income?	92%	90%	100%
4. Will the proposed assistance result in increase in clients? State projected number.	N/A	N/A	N/A
5. What is the total number of unduplicated clients/households to be served?	1071	1100	Approximately 93 (Note: cannot verify that confidential calls to crisis line are unduplicated clients.)

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Salaries and benefits.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

The YWCA Silicon Valley's Support Services Department implements specific protocols for tracking clients that receive domestic violence services. Prior to receiving services, each client participates in an intake assessment to verify the safety of the individual, to determine if there is a medical need, and to establish if a police report needs to be filed. Clients are asked to complete intake forms to provide demographic, income, ethnicity, and residence information. Client's needs and resources are matched with the appropriate department services. Staff track all services provided to clients in a secure data base system, Efforts to Outcomes (ETO). ETO is an internet-based case management database designed specifically to measure program outcomes. As programs grow and evolve, ETO allows staff to add program data, forms, and develop new reporting tools to ensure that the agency is able to provide the most accurate data to funders on program progress and outcomes.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

- Health Fairs
- Community Presentations
- Trainings (for partners, i.e. law enforcement)
- Social Media

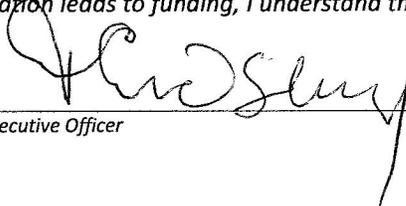
Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.


Signature of Executive Officer

2/10/16
Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

**Audited Financial Statements
and Other Information**

ywca Silicon Valley
and Related Entity

June 30, 2014

Quigley & Miron

Young Women's Christian Association Silicon Valley and Related Entity
Audited Combined Financial Statements and Other Information
Table of Contents
June 30, 2014

	<u>Page Number</u>
Independent Auditor's Report	1
Audited Combined Financial Statements	
Combined Statement of Financial Position	3
Combined Statement of Activities	4
Combined Statement of Functional Expenses.....	5
Combined Statement of Cash Flows	6
Notes to Combined Financial Statements	7
Other Information	
Schedule of Expenditures of Federal Awards	19
Notes to Schedule of Expenditures of Federal Awards.....	21
Schedule of Expenditures of State and Local Awards.....	22
Supplementary Information Required by the California Emergency Management Agency	23
Summary Schedule of Prior Audit Findings.....	24
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 <i>Government Auditing Standards</i>	25
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with OMB Circular A-133	27
Schedule of Findings and Questioned Costs	29
Corrective Action Plan	30

Quigley & Miron

Certified Public Accountants

Suite 1660
3550 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 317
528 Arizona Avenue
Santa Monica, California 90401

Telephone: (310) 394-6687
Facsimile: (310) 394-6027

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 614-0100
Facsimile: (213) 639-3555

Independent Auditor's Report

Board of Directors

Young Women's Christian Association Silicon Valley and Related Entity

San Jose, California

Report on the Financial Statements

We have audited the accompanying combined financial statements of Young Women's Christian Association Silicon Valley (Organization), a nonprofit organization, and its related entity, YWCA Third Street, Inc., which comprise the combined statement of financial position as of June 30, 2014, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined 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 combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Young Women's Christian Association Silicon Valley and its related entity as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

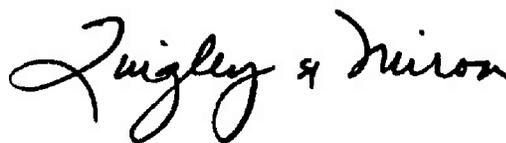
We have previously audited Young Women's Christian Association Silicon Valley's June 30, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedules of expenditures of federal, state, and local awards, and the supplementary information required by the California Emergency Management Agency (CAL EMA) are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and CAL EMA, and are also not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued reports dated December 22, 2014, on our consideration of Young Women's Christian Association Silicon Valley's internal control over financial reporting, and 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 Young Women's Christian Association Silicon Valley's internal control over financial reporting and compliance.



Los Angeles, California
December 22, 2014

Young Women's Christian Association Silicon Valley and Related Entity
 Combined Statement of Financial Position
 June 30, 2014
 (with comparative totals for 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 306,210	\$ 478,815
Investments—Note 2	102,212	92,647
Accounts receivable, net—Note 4	43,072	43,395
Grants receivable—Note 4	442,908	505,221
Pledges receivable—Note 4	190,623	72,656
Prepaid expenses	169,953	96,572
Total Current Assets	1,254,978	1,289,306
Fixed Assets, Net		
Land, buildings & equipment	5,618,405	5,610,683
Accumulated depreciation	<u>(2,859,704)</u>	<u>(2,736,749)</u>
Total Fixed Assets, Net	2,758,701	2,873,934
Other Assets		
Deposits	3,120	3,120
Permanently restricted endowment cash	91,874	91,422
Total Other Assets	94,994	94,542
Total Assets	<u>\$ 4,108,673</u>	<u>\$ 4,257,782</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 76,101	\$ 74,153
Accrued compensation and related liabilities	154,702	220,750
Grant payable	2,853	
Deferred revenue	5,580	13,028
Construction loan		46,078
YWCA Third Street loan payable, current portion—Note 6	25,000	25,000
Total Current Liabilities	264,236	379,009
Noncurrent Liabilities		
YWCA Third Street loan payable—Note 6	759,750	781,527
Total Noncurrent Liabilities	759,750	781,527
Total Liabilities	1,023,986	1,160,536
Net Assets		
Unrestricted		
Undesignated	2,010,922	2,213,844
Board-designated—Note 8	337,681	337,681
Total Unrestricted	2,348,603	2,551,525
Temporarily restricted—Note 9	644,210	454,299
Permanently restricted—Note 10	91,874	91,422
Total Net Assets	3,084,687	3,097,246
Total Liabilities and Net Assets	<u>\$ 4,108,673</u>	<u>\$ 4,257,782</u>

See notes to combined financial statements.

Young Women's Christian Association Silicon Valley and Related Entity
 Combined Statement of Activities
 Year Ended June 30, 2014
 (with comparative totals for 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Public Support and Revenue					
Contributions					
Individuals	\$ 419,674	\$ 210,478	\$ 452	\$ 630,604	\$ 552,889
Government grants	1,846,639	85,053		1,931,692	1,877,382
Government contributions	96,037			96,037	164,986
Foundation/corporate grants	57,750	411,689		469,439	426,306
Board commitment	23,007			23,007	38,874
In-kind	388,262			388,262	381,415
Special events—Note 12	614,688	14,075		628,763	577,240
Total Support	3,446,057	721,295	452	4,167,804	4,019,092
Program service fees	867,281			867,281	1,253,605
Interest and dividend income	3,277	146		3,423	3,772
Realized and unrealized investment gain (loss)	11,210	40		11,250	11,077
Ground lease income	21,777			21,777	30,663
Miscellaneous income	2,118			2,118	423,274
Total Revenue	905,663	186		905,849	1,722,391
Net assets released from restrictions	531,570	(531,570)			
Total Public Support, Revenue, and Releases from Restrictions	4,883,290	189,911	452	5,073,653	5,741,483
Expenses					
Program services	3,798,477			3,798,477	4,486,289
Management and general	610,555			610,555	520,833
Fund development	677,180			677,180	502,269
Total Expenses	5,086,212			5,086,212	5,509,391
Change in Net Assets	(202,922)	189,911	452	(12,559)	232,092
Net Assets at Beginning of Year	2,551,525	454,299	91,422	3,097,246	2,865,154
Net Assets at End of Year	\$ 2,348,603	\$ 644,210	\$ 91,874	\$ 3,084,687	\$ 3,097,246

See notes to combined financial statements.

Young Women's Christian Association Silicon Valley and Related Entity
 Combined Statement of Functional Expenses
 Year Ended June 30, 2014
 (with comparative totals for 2013)

	Program Services						Supporting Services			2014 Totals	2013 Totals	
	Child Care Services	Youth Services/ TechGYRLS	Human Trafficking	Domestic Violence Services	Rape Crisis Services	Counseling Services	Total Program Services	Management and General	Fund Development			Total Supporting Services
Salaries	\$ 462,174	\$ 42,754	\$ 101,171	\$ 670,527	\$ 459,736	\$ 270,860	\$ 2,007,222	\$ 230,869	\$ 85,494	\$ 316,363	\$ 2,323,585	\$ 2,738,949
Payroll taxes	55,471	5,086	12,175	78,983	55,363	32,594	239,672	14,822	9,659	24,481	264,153	293,892
Employee benefits	58,224	1,874	10,877	103,849	42,867	17,244	234,935	26,934	6,615	33,549	268,484	282,628
Total Payroll-Related Expense	575,869	49,714	124,223	853,359	557,966	320,698	2,481,829	272,625	101,768	374,393	2,856,222	3,315,469
Professional fees and contract services	42,985	47,350	1,915	27,698	28,416	12,627	160,991	200,802	235,434	436,236	597,227	450,823
In-kind services and supplies				183,814	202,804		386,618				386,618	385,152
Special event expenses									275,319		275,319	234,473
Occupancy	76,017		2,936	75,780	25,839	18,132	198,704	22,261	9,167	31,428	230,132	308,698
Depreciation	27,790		3,253	44,339	10,856	19,841	106,079	6,722	10,154	16,876	122,955	133,104
Telephone	11,534	791	1,178	41,512	27,774	6,802	89,591	4,080	3,372	7,452	97,043	103,263
Supplies	21,625	4,901	1,434	28,710	13,342	991	71,003	12,526	1,042	13,568	84,571	85,270
Miscellaneous	24,256	267	651	19,965	3,949	1,731	50,819	25,832	5,670	31,502	82,321	82,891
Publicity and promotion	8,209	2,183	30,519	7,434	9,328	1,628	59,301	9,777	7,377	17,154	76,455	124,691
Insurance	12,737		1,243	9,957	4,147	7,581	35,665	21,787	3,879	25,666	61,331	55,194
Equipment rental and maintenance	16,731		1,222	19,786	5,758	7,127	50,624	2,847	3,647	6,494	57,118	55,624
Dues and subscriptions	6,962	479	504	12,667	7,378	4,022	32,012	5,879	7,694	13,573	45,585	37,365
Local transportation	1,007	915	289	16,494	16,972		35,677	5,142	2,294	7,436	43,113	42,300
Conferences, conventions, and meetings			30	6,780	4,524	25	11,359	12,333	49	12,382	23,741	25,002
Minor equipment				6,725	6,110		12,835	1,908		1,908	14,743	15,591
Outside printing and artwork	211	114	854	852	4,064		6,095	245	4,728	4,973	11,068	16,923
Taxes and licenses	4,195	40	30	1,287	480	319	6,351	4,127	108	4,235	10,586	27,906
Postage	28	5	5	1,350	986	194	2,568	1,485	5,478	6,963	9,531	6,456
Interest expense				356			356	177		177	533	3,196
2014 Totals	\$ 830,156	\$ 106,759	\$ 170,286	\$ 1,358,865	\$ 930,693	\$ 401,718	\$ 3,798,477	\$ 610,555	\$ 677,180	\$ 1,012,416	\$ 5,086,212	\$ 5,509,391
2013 Totals	\$ 1,267,342	\$ 307,849	\$ 182,722	\$ 1,264,026	\$ 780,602	\$ 449,275	\$ 4,251,816	\$ 520,833	\$ 502,269	\$ 1,023,102		\$ 5,274,918

See notes to combined financial statements.

Young Women's Christian Association Silicon Valley and Related Entity
Combined Statement of Cash Flows
Year Ended June 30, 2014
(with comparative totals for 2013)

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (12,559)	\$ 232,092
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	122,955	133,104
Net realized and unrealized investment gain	(11,250)	(11,077)
Donated stock	(5,687)	(17,620)
Change in operating assets and liabilities:		
Accounts receivable, net	323	(10,943)
Grants receivable	62,313	(188,620)
Pledges receivable	(117,967)	54,923
Prepaid expenses	(73,381)	(5,549)
Deposits		14,023
Accounts payable	1,948	(39,868)
Accrued compensation and related liabilities	(66,048)	(102,315)
Grant payable	2,853	(50,000)
Deferred revenue	(7,448)	(325,513)
	<u>(103,948)</u>	<u>(317,363)</u>
Net Cash Used in Operating Activities	(103,948)	(317,363)
Cash Flows from Investing Activities		
Acquisition of investments	(25,887)	(30,598)
Proceeds from sale of investments	33,259	54,685
Change in permanently restricted cash	(452)	(345)
Purchases of fixed assets	(7,722)	
	<u>(802)</u>	<u>23,742</u>
Net Cash Provided by (Used in) Investing Activities	(802)	23,742
Cash Flows from Financing Activities		
Repayment of notes payable	(67,855)	(138,540)
	<u>(67,855)</u>	<u>(138,540)</u>
Net Cash Used in Financing Activities	(67,855)	(138,540)
Decrease in Cash and Cash Equivalents	(172,605)	(432,161)
Cash and Cash Equivalents at Beginning of Year	<u>478,815</u>	<u>910,976</u>
Cash and Cash Equivalents at End of Year	<u>\$ 306,210</u>	<u>\$ 478,815</u>
Supplementary Disclosures		
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ 533</u>	<u>\$ 3,196</u>

See notes to combined financial statements.

Young Women's Christian Association Silicon Valley and Related Entity
Notes to Combined Financial Statements
June 30, 2014

Note 1—Organization and Summary of Significant Accounting Policies

Organization—Young Women's Christian Association Silicon Valley, dba YWCA Silicon Valley (YWCA-SV), is a nonprofit California corporation formed in May 1914, whose mission is to empower women, children, and families, and to eliminate racism, hatred, and prejudice. YWCA-SV is affiliated with the National YWCA USA organization, whose regional associations assess dues annually based on certain criteria. YWCA-SV is a member of the YWCA Pacific Regional Council. The board of YWCA-SV also controls a related organization, YWCA Third Street, Inc. (YTS), which was formed in 1990 to manage air rights for a parcel of land located in San Jose, California.

YWCA-SV offers a broad range of services to a diverse constituency. Through staff and volunteers, collaboration with other agencies, government grants, and with the assistance of public and private contributions, YWCA-SV is able to provide services throughout Silicon Valley in the following major areas:

Child Care Services Department—Providing families with affordable, quality child care is crucial to achieving the YWCA mission: access to child care is central for women's empowerment, and access to education for children is key to achieving equality. The YWCA's early learning curriculum is rooted in the agency's values, and centers on building a community that promotes peace and justice. Serving families for more than 60 years, the YWCA operates child care centers for almost 80 children each year, ranging in age from 6 weeks to 12 years. Each of the YWCA's licensed centers is staffed with enthusiastic individuals trained in cultural proficiency.

TechGYRLS—The goal of TechGYRLS is to provide technology education in an environment where girls feel comfortable taking risks, thus opening up new learning opportunities for them. The program is delivered at school sites at no cost to program participants. In the 2013-2014 program year, five school partnerships were established in low socio-economic areas of the San Jose area. Elementary and middle school girls engage in activities to stimulate a deeper interest in technology using critical thinking, time management, teamwork, problem solving, and presentation skills. Career development for young girls is another component of the program; part of this is achieved through presentations given by professional women volunteers. These guest speakers provide an important link between the topics covered in TechGYRLS and the potential job opportunities waiting for participants once they finish school.

Domestic Violence Services Department—Domestic Violence Services aims to empower a diverse community, free from domestic violence through the provision of safety, support services and self-empowerment. Through these services survivors are provided with a safe, welcoming environment where they can begin to address the physical, emotional and psychological trauma they have suffered. Services include: crisis counseling, safety planning, therapy, emergency shelter, case management, legal advocacy and domestic violence education.

Rape Crisis Services Department—YWCA-SV's Rape Crisis Department provides the community with support, expertise and techniques to prevent sexual assault and to minimize the traumatic aftermath of sexual assault. YWCA-SV provides 24-hour crisis lines staffed by trained counselors; immediate crisis counseling and assistance, information and referrals; 1:1 and group counseling for survivors and their loved ones and accompaniment services to medical, police, and court facilities. Additionally, YWCA-SV engages students and youth, pre-K through University, with age-appropriate sexual assault awareness and prevention programs. Finally, YWCA-SV provides extensive training to professionals in the

Young Women's Christian Association Silicon Valley and Related Entity

Notes to Combined Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

community so they might better recognize the signs of sexual abuse and support survivors through trauma.

Counseling Services Department—YWCA-SV's Counseling Services strive to promote the emotional, mental, and behavioral well-being of the community. YWCA-SV offers a variety of therapy and support services to individuals, couples, and families. Short- and long-term counseling, including women's support groups, are offered at the YWCA's downtown San Jose Counseling Center. These services are provided on an income-based sliding-scale fee schedule, putting counseling within reach for people at the very low- to middle-income levels. YWCA-SV's School-Based Counseling Program places YWCA Counselors on-campus at traditional middle and high schools within the San Jose Unified School District, as well as some continuation and elementary schools, at no cost to program participants. Together, these programs reach almost 1000 community members per year, 77% of whom are children or adolescents under 18 years old.

Financial Statement Presentation—The combined financial statements include the accounts of YWCA-SV and YTS (together referred to as the Organization). Significant intercompany accounts and transactions were eliminated upon consolidation. The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Organization.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Included in temporarily restricted net assets are gifts given for a particular purpose and investment income to be used for a particular purpose. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying combined financial statements as net assets released from restrictions.

Permanently restricted net assets—Net assets for which the donor has stipulated that the principal be maintained into perpetuity. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Income Taxes—YWCA-SV is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), from California income taxes under Section 23701(d) of the California Bank and Corporation Tax Law, and has been determined to be an organization that is not a private foundation. YTS's exempt organization status was revoked, effective November 15, 2011, however management believes the impact of this revocation on the combined financial statements is immaterial. Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2014 or 2013. Generally, the Organization's information returns remain open for examination three (federal) or four (state of California) years from the date of filing.

Young Women's Christian Association Silicon Valley and Related Entity

Notes to Combined Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Cash and Cash Equivalents—For purposes of the combined statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported in the combined statement of financial position approximate fair values because of the short maturities of these instruments. Included in cash as of June 30, 2014 and 2013 is \$287,681 and \$287,681, respectively, designated by the Organization's Board of Directors for Domestic Violence shelter renovations and operations.

Accounts, Grants, and Pledges Receivable—Accounts receivable are shown net of an allowance of \$7,232 and \$2,600, respectively, as of June 30, 2014 and 2013. Bad debts charged to operations during the years ended June 30, 2014 and 2013 totaled \$9,247 and \$14,834, respectively.

The carrying amounts for grants and pledges receivable reported in the combined statement of financial position approximate fair values, as all amounts are expected to be received or paid within one year, and management has determined that no allowance for potential losses due to uncollectible grants and pledges receivable is necessary.

Depreciation—Fixed assets are reported at cost or donated value, and are depreciated using the straight-line method over the estimated useful life of the asset, ranging from three to forty-five years. YWCA-SV's policy is to capitalize items greater than \$1,000. Additions to fixed assets for the years ended June 30, 2014 and 2013 totaled \$7,722 and \$0, respectively. At June 30, 2014 and 2013, the cost and related accumulated depreciation for fixed asset components are as follows:

	<u>2014</u>	<u>2013</u>
Land and buildings	\$ 4,274,951	\$ 4,274,951
Building improvements	760,064	760,064
Furniture, equipment, and improvements	481,114	473,392
Vehicles	99,033	99,033
Leasehold improvements	3,243	3,243
	<u>5,618,405</u>	<u>5,610,683</u>
Less accumulated depreciation	<u>(2,859,704)</u>	<u>(2,736,749)</u>
Net	<u>\$ 2,758,701</u>	<u>\$ 2,873,934</u>

Depreciation expense charged to operations for the years ended June 30, 2014 and 2013 totaled \$122,955 and \$133,104, respectively.

Accrued Compensation—Full-time employees annually accrue 80 to 160 hours of vacation, depending on length of employment, up to a maximum accrual of 200 to 280 hours. Exceptions to this policy may be granted by the Board of Directors. Upon termination, employees are compensated for unused vacation hours. In addition, employees receive one day of sick leave for each month of employment, up to a maximum accrual of 120 days. Employees are not compensated for unused sick leave upon termination. Benefited part-time employees receive the vacation and sick leave accruals on a prorated basis.

Legacies and Bequests—Legacies and bequests may be received by the Organization under various wills and trust agreements. The amounts are recorded upon legal validation.

Young Women's Christian Association Silicon Valley and Related Entity

Notes to Combined Financial Statements—*Continued*

Note 1—Organization and Summary of Significant Accounting Policies—*Continued*

Revenue Recognition, Grants Receivable and Grants Payable—The Organization receives cost reimbursement contract revenue as well as fixed rate contract revenue. Revenue is recognized when the corresponding service has been provided according to the agreement, subject to the contract limit, if any. Under fixed rate contracts, the Organization agrees to provide certain services in specified quantities at a prescribed rate per unit of service provided. Certain contracts have provisions for annual settlements to provide for recovery of costs for service capacity required to be provided, but not utilized, and for repayment of amounts billed in excess of contract limits. Estimated settlements are accrued by YWCA-SV as a grant receivable or grant payable for contracts for which cost reports have not been finalized. The carrying amounts for grants payable reported in the combined statement of financial position approximate fair values as all amounts are expected to be received or paid within one year. Revenue from program service fees is recognized when services are provided.

In-Kind—In-kind contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donated professional services and supplies are reflected as contributions in the accompanying statements at their estimated fair market value at date of notification. For the years ended June 30, 2014 and 2013, donated services and supplies totaled \$388,262 and \$437,152, respectively. Included in special event revenue and expenses for the years ended June 30, 2014 and 2013, is \$49,610 and \$55,737, respectively, of donated materials and services.

Expenses—The Organization has in place a cost allocation plan employed to allocate indirect expenses to each program on a basis proportionate to the direct staff time or other cost driver used for each program.

Advertising—The Organization's policy is to expense advertising costs to operations as incurred.

Reclassifications—Certain accounts in the prior year combined financial statements have been reclassified for comparative purposes to conform to the presentation in the current year combined financial statements.

Comparative Totals for 2013—The accompanying combined financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combined audited financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Young Women's Christian Association Silicon Valley and Related Entity
Notes to Combined Financial Statements—Continued

Note 2—Investments

Investments are carried at fair value, as based on quoted market prices for these instruments. Donated investments are recorded at the estimated fair value at the donation date. Unrealized gains and losses are reported on the combined statement of activities. Marketable securities consist of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Equity securities	\$ 70,410	\$ 60,681
Government securities	31,802	31,966
Total	<u>\$ 102,212</u>	<u>\$ 92,647</u>

Investment returns are reported gross of investment management fees totaling \$1,698 and \$1,513, respectively, for the years ended June 30, 2014 and 2013.

Note 3—Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy is categorized into three levels based on the inputs as follows:

Level 1—Quoted market prices in active markets for identical assets or liabilities. Level 1 assets include equity securities and mutual funds valued at the closing price reported on the active market on which the individual securities are traded.

Level 2—Observable market-based inputs, either directly or indirectly, but are other than quoted prices in actively traded markets. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable inputs that can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity which are significant to the fair value of the asset or liability. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date. The Organization had no Level 3 assets or liabilities at June 30, 2014 and 2013.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination for which category within the fair value hierarchy is appropriate is based on the lowest level input that is significant to the fair value measurement in its entirety.

Young Women's Christian Association Silicon Valley and Related Entity
Notes to Combined Financial Statements—Continued

Note 3—Fair Value Measurements—Continued

Assets and liabilities measured at fair value on a recurring basis at June 30, 2014 and 2013 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
2014:				
Equity securities	\$ 70,410	\$ 70,410	\$	\$
Government securities	31,802		31,802	
Totals	<u>\$ 102,212</u>	<u>\$ 70,410</u>	<u>\$ 31,802</u>	<u>\$</u>
2013:				
Equity securities	\$ 60,681	\$ 60,681	\$	\$
Government securities	31,966		31,966	
Totals	<u>\$ 92,647</u>	<u>\$ 60,681</u>	<u>\$ 31,966</u>	<u>\$</u>

Note 4—Accounts, Grants, and Pledges Receivable

The carrying amounts for accounts, grants, and pledges receivable reported in the combined statement of financial position approximate fair values as all amounts are expected to be received within one year. The following amounts are reported as receivables as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Accounts receivable:		
Program fees and other accounts receivable	\$ 50,304	\$ 45,995
Less allowance for doubtful accounts	(7,232)	(2,600)
Accounts Receivable, Net	<u>\$ 43,072</u>	<u>\$ 43,395</u>
Grants receivable:		
Federal grants receivable	\$ 442,908	\$ 505,221
Grants Receivable	<u>\$ 442,908</u>	<u>\$ 505,221</u>
Pledges receivable:		
Pledges receivable	\$ 190,623	\$ 72,656
Pledges Receivable	<u>\$ 190,623</u>	<u>\$ 72,656</u>

Note 5—Line of Credit

The Organization has a \$500,000 line of credit with Wells Fargo Bank, secured by real property, at an interest rate of 5.00%, due on April 10, 2015. The line of credit was not utilized during the years ended June 30, 2014 and 2013.

Young Women's Christian Association Silicon Valley and Related Entity
Notes to Combined Financial Statements—Continued

Note 6—Long-Term Debt

During the year ended June 30, 2011, the Organization received a \$250,000 loan to facilitate the renovation of its administrative offices. The note, which was unsecured, was paid off in January 2014. Interest was at 3% annually. Through August 1, 2011, interest only payments were required, with monthly interest and principal payments of \$9,256 commencing September 1, 2011. The principal balance on the note was \$46,078 as of June 30, 2013. For the years ended June 30, 2014 and 2013, \$533 and \$3,196 of interest was incurred, respectively.

YTS borrowed \$1,144,000, bearing no interest and secured by the underlying property, from the City of San Jose to facilitate its purchase of property. In 1996, YTS assigned all rights under a ground lease to the City of San Jose with all payments received under this lease, approximately \$25,000 per year, to be remitted directly to the City of San Jose and applied against the principal balance. The principal balance on the note was \$784,750 as of June 30, 2014 and \$806,527 as of June 30, 2013. The balance remaining on the note, if any, is due and payable in full on August 26, 2023.

The future annual maturities for the notes payable, assuming \$25,000 is applied each year from the ground lease, are as follows:

<u>Year Ending June 30,</u>		
2015	\$	25,000
2016		25,000
2017		25,000
2018		25,000
2019		25,000
Thereafter		<u>659,750</u>
	Total	<u><u>\$ 784,750</u></u>

Note 7—Concentrations and Contingencies

At times during the years ended June 30, 2014 and 2013, the Organization maintained cash balances in excess of insured levels at various financial institutions. In addition, approximately 23% of the Organization's operating revenue base is derived from its largest government contract. The Organization's management believes that any potential disallowance of previously funded program costs is immeasurable and immaterial.

In prior periods, the Organization conservatively deferred certain grant amounts to cover potential unknown costs related to these grants. Since these grant periods have expired and the likelihood of repayment has been deemed remote, the Organization elected to recognize these amounts, totaling \$371,770, as miscellaneous income in the combined statement of activities for the year ended June 30, 2013.

The Organization, during the normal course of operating its business, may be subject to various lawsuits, licensing reviews, and government audits. Management believes that losses resulting from these matters, if any, would either be covered under the Organization's insurance policy or are immeasurable. Management further believes the losses, if any, would not have a material effect on the financial position of YWCA-SV.

Young Women's Christian Association Silicon Valley and Related Entity

Notes to Combined Financial Statements—Continued

Note 8—Board-Designated Funds

The Board of Directors has designated \$50,000 of funds held in cash and investments for the purpose of a board-designated endowment fund, with earnings to be used for the general operations of the Organization. In addition, the Board of Directors has designated \$287,681 of funds held in cash for Domestic Violence shelter renovations and operations.

Note 9—Temporarily Restricted Net Assets

As of June 30, 2014 and 2013, the Organization's temporarily restricted net assets consisted of the following:

	<u>2014</u>	<u>2013</u>
Domestic violence	\$ 296,917	\$ 275,146
TechGYRLS after-school enrichment	173,868	41,171
Rape crisis	78,419	96,052
Counseling	12,508	19,234
Human trafficking	3,623	2,350
Interest on permanently restricted endowment for scholarships	2,234	2,048
Staff development		18,298
Other donations restricted by use	76,641	
Total	<u>\$ 644,210</u>	<u>\$ 454,299</u>

Note 10—Permanently Restricted Net Assets

As of June 30, 2014 and 2013, the Organization's permanently restricted net assets consisted of the following:

	<u>2014</u>	<u>2013</u>
Women A.H.E.A.D. Scholarship	\$ 56,467	\$ 56,467
Susie Wilson Scholarship	33,135	33,135
Endowment fund	2,272	1,820
Total	<u>\$ 91,874</u>	<u>\$ 91,422</u>

Young Women's Christian Association Silicon Valley and Related Entity

Notes to Combined Financial Statements—Continued

Note 11—Endowment Funds

The Organization's endowments consist of donor restricted endowment funds which are classified within permanently restricted net assets and board designated endowment funds which are classified within unrestricted net assets. In accordance with generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law—The Board of Director's interpretation of the law that underlies the Organization's net asset classification of donor restricted endowment funds requires the preservation of the fair value of the original gift. As a result of this interpretation, the Organization classifies as permanently restricted net assets (i) the original value of gifts donated to the permanent endowment, (ii) the original value of subsequent gifts to the permanent endowment, and (iii) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Absent explicit direction from the donor regarding the classification of investment income from the permanently restricted endowments, investment income is recorded in temporarily restricted activities until appropriated for spending.

Return Objects and Risk Parameters—The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that achieve constant growth of the distribution amount and the corpus, with a target rate of 8% annual return over a five year time horizon. Actual returns in any given year may vary from this amount. Management is currently re-evaluating the composition of its investment portfolio. Funds are currently invested in government securities and money markets until this process is complete.

Strategies Employed/or Achieving Objectives—To satisfy its long-term objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places more emphasis on fixed income securities than equity securities to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How Investment Objectives Relate to Spending Policy—The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds while seeking to maintain the purchasing power of the endowment assets. The spending policy authorizes an annual distribution equal to 5% of the market value of the portfolio as of the preceding four quarters. Management has elected not to appropriate funds during the year ended June 30, 2014 due to the re-evaluation of its investment portfolio composition.

Young Women's Christian Association Silicon Valley and Related Entity
Notes to Combined Financial Statements—Continued

Note 11—Endowment Funds—Continued

Endowment net assets composition consists of the following at June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Donor-restricted endowment funds	\$	\$ 2,048	\$ 91,422	\$ 93,470
Board-designated endowment funds	50,000			50,000
Endowment Net Assets at June 30, 2013	<u>\$ 50,000</u>	<u>\$ 2,048</u>	<u>\$ 91,422</u>	<u>\$ 143,470</u>

Endowment net assets composition consists of the following at June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Donor-restricted endowment funds	\$	\$ 2,234	\$ 91,874	\$ 94,108
Board-designated endowment funds	50,000			50,000
Endowment Net Assets at June 30, 2014	<u>\$ 50,000</u>	<u>\$ 2,234</u>	<u>\$ 91,874</u>	<u>\$ 144,108</u>

The changes in endowment net assets for the year ended June 30, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Endowment net assets at June 30, 2012	\$ 50,000	\$ 2,756	\$ 91,077	\$ 143,833
Contributions			345	345
Interest income	75	242		317
Investment gains		50		50
Appropriation of endowment assets for expenditure	(75)	(1,000)		(1,075)
Endowment Net Assets at June 30, 2013	<u>\$ 50,000</u>	<u>\$ 2,048</u>	<u>\$ 91,422</u>	<u>\$ 143,470</u>

Young Women's Christian Association Silicon Valley and Related Entity
Notes to Combined Financial Statements—Continued

Note 11—Endowment Funds—Continued

The changes in endowment net assets for the year ended June 30, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Endowment net assets at June 30, 2013	\$ 50,000	\$ 2,048	\$ 91,422	\$ 143,470
Contributions			452	452
Interest income	75	146		221
Investment gains		40		40
Appropriation of endowment assets for expenditure	(75)			(75)
Endowment Net Assets at June 30, 2014	<u>\$ 50,000</u>	<u>\$ 2,234</u>	<u>\$ 91,874</u>	<u>\$ 144,108</u>

Note 12—Special Events

Special events are held to raise funds for the Organization's operations and programs. Revenue from special events is presented on the combined statement of activities, net of expenses. Revenues and expenses by special event for the years ended June 30, 2014 and 2013 are as follows:

	<u>Annual Lunch</u>	<u>TWIN</u>	<u>Walk-a-Mile</u>	<u>Totals</u>
2014:				
Income	\$ 347,910	\$ 266,778	\$ 14,075	\$ 628,763
Expense	(192,134)	(76,761)	(6,424)	(275,319)
Net	<u>\$ 155,776</u>	<u>\$ 190,017</u>	<u>\$ 7,651</u>	<u>\$ 353,444</u>
2013:				
Income	\$ 285,856	\$ 259,125	\$ 32,259	\$ 577,240
Expense	(129,188)	(87,068)	(18,217)	(234,473)
Net	<u>\$ 156,668</u>	<u>\$ 172,057</u>	<u>\$ 14,042</u>	<u>\$ 342,767</u>

Included in special events revenue and expenses for the years ended June 30, 2014 and 2013, are in-kind contributions of \$49,610 and \$55,737, respectively.

Young Women's Christian Association Silicon Valley and Related Entity
Notes to Combined Financial Statements—Continued

Note 13—Retirement Plan

The Organization maintains a 401(a) employer-sponsored cash balance defined benefit pension plan. The Plan covers all employees of the Organization on the first of the month following completion of 1,000 hours of service in two 12-month periods commencing on the date of employment or anniversary thereof. The two 12-month periods need not be consecutive. The Organization contributed \$77,396 and \$120,623 during the years ended June 30, 2014 and 2013, respectively. The Organization also sponsors a 403(b) retirement plan to which the Organization does not make any contributions.

Note 14—Commitments and Contingencies

The Organization is obligated under two long-term and various month-to-month facility leases for program facilities. One of the long-term leases has a ninety-day termination clause, while the other terminates in August 2016. The total expense incurred under these leases for the years ended June 30, 2014 and 2013 was \$80,910 and \$79,362, respectively.

The future annual minimum lease commitments for these facility leases are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 34,032
2016	34,032
2017	5,672
Total	<u>\$ 73,736</u>

The Organization is also obligated under four non-cancellable leases for office equipment, scheduled to expire at various dates through June 2015. The total expense incurred under these leases for the years ended June 30, 2014 and 2013 was \$11,999 and \$13,229, respectively. The future minimum lease commitments for these equipment leases are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 1,692
Total	<u>\$ 1,692</u>

Note 15—Subsequent Events

Subsequent events were evaluated through December 22, 2014, which is the date the combined financial statements were available to be issued, and it was concluded that no material subsequent events have occurred that would require adjustment to the combined financial statements or disclosure in the notes to the combined financial statements.

**Young Women's Christian Association Silicon Valley and Related Entity
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

<u>Federal Department/ Federal Program Title/ Pass-Through Agency</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Grant Amount</u>	<u>Grant Period</u>	<u>Expenditures</u>
Department of Housing and Urban Development					
Community Development Block Grants/Entitlement Grants Passed through local government agencies:					
City of Milpitas	14.218	94-6019192	\$ 5,000	7/1/13-6/30/14	\$ 5,000
City of Palo Alto	14.218	C12142056	10,000	7/1/13-6/30/14	10,000
City of Santa Clara	14.218	B-13-MC-06-0022	4,680	7/1/13-6/30/14	4,680
City of Sunnyvale	14.218	1213-800852	15,500	7/1/13-6/30/14	15,500
Santa Clara County	14.218	B-13-UC-06-0007	11,706	7/1/13-6/30/14	11,706
City of San Jose	14.218	CPS-13-008	18,065	7/1/13-6/30/14	17,822
				Total CFDA 14.218	64,708
Emergency Shelter Grant Program Passed through City of San Jose Housing Department:					
Emergency Shelter Grant	14.231	ESG-12-003A	42,615	7/1/13-6/30/14	33,243
				Total CFDA 14.231	33,243
Total Department of Housing and Urban Development					97,951
Department of Justice					
Crime Victim Assistance Passed through California Office of Emergency Services:					
Services for Battered Women & Children	16.575	DV13-27-1024	203,646	07/01/13-06/30/14	203,646
Valley Rape Crisis Center- Central	16.575	RC13-33-1024	240,657	09/01/13-08/31/14	213,735
	16.575	RC12-32-1024	214,514	09/01/12-08/31/13	49,950
Valley Rape Crisis Center-North	16.575	RC13-11-1024	132,106	09/01/13-08/31/14	112,805
	16.575	RC12-10-1024	117,794	09/01/12-08/31/13	21,718
				Total CFDA 16.575	601,854
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program Passed through City of Morgan Hill:					
Domestic Violence Arrest Grant	16.590	128-04-13-001	110,011	09/01/12-08/31/14	57,805
				Total CFDA 16.590	57,805
Congressionally Recommended Awards					
Direct Award:					
Human Trafficking Initiative	16.753	2010-DD-BX-0713	450,000	10/01/10-09/30/14	169,501
Rape Crisis Center Services	16.753	2010-DD-BX-0664	200,000	10/01/10-09/30/13	20,843
				Total CFDA 16.753	190,344
Violence Against Women Office Passed through Santa Clara County Superior Court:					
Justice Systems Response to Families	16.021	C2201636	66,256	02/1/14-09/30/15	4,318
				Total CFDA 16.021	4,318
Total Department of Justice					854,321

Young Women's Christian Association Silicon Valley and Related Entity
Schedule of Expenditures of Federal Awards—Continued
Year Ended June 30, 2014

Federal Department/ Federal Program Title/ Pass-Through Agency	Federal CFDA Number	Grantor's Number	Federal Grant Amount	Grant Period	Expenditures
Department of Health and Human Services					
Injury Prevention and Control Research and State and Community Based Programs					
Passed through California					
Department of Public Health:					
Rape Prevention & Education	93.136	12-10408	\$ 98,062	11/01/13-10/31/14	\$ 45,090
	93.136	12-10408	98,062	11/01/12-10/31/13	51,088
				Total CFDA 93.136	96,178
				Total Department of Health and Human Services	96,178
Department of Homeland Security					
Emergency Food and Shelter National Board Program					
	97.024	088000-020	40,113	02/01/12-03/31/13	40,113
	97.024	088000-020	45,834	04/01/13-05/31/14	45,834
				Total CFDA 97.024	85,947
				Total Department of Homeland Security	85,947
				Total Federal Awards	\$ 1,134,397

See accompanying notes to schedule of expenditures of federal awards.

Young Women's Christian Association Silicon Valley and Related Entity
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Note A—Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Young Women's Christian Association Silicon Valley and its related entity under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Young Women's Christian Association Silicon Valley and its related entity, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Young Women's Christian Association Silicon Valley and its related entity.

Note B—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 OMB Circular A-122, *Cost Principles of Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Young Women's Christian Association Silicon Valley and Related Entity
Schedule of Expenditures of State and Local Awards
Year Ended June 30, 2014

State or Local Grantor/Pass-Through Grantor Program Title	Program or Award Amount	Receipts/ Revenue Recognized	Disbursements/ Expenditures Incurred
City of Mountain View, Domestic Violence Services, V000600 R101141	\$ 29,568	\$ 29,568	\$ 29,568
County of Santa Clara Social Services, Domestic Violence Advocacy, 4300008456	47,679	47,679	47,679
County of Santa Clara Social Services, Child Abuse Prevention, 4300008314	45,000	41,513	41,513
County of Santa Clara, PREA, 4400006479	52,308	2,396	2,396
Santa Clara County Measure A, 4300009844	100,000	95,752	95,752
San Jose Unified School District, Counseling Interns, 21000742	256,000	256,000	256,000
Washington Elementary School, Counseling Interns	12,000	12,000	12,000
Town of Los Gatos, Community Grant, 11.146	6,000	6,000	6,000
State of California, CAL OES, Services for Battered Women & Children, DV11 25 1024	200,019	200,019	200,019
State of California, CAL OES, Valley Rape Crisis Center - Central, RC12 32 1024	65,061	12,920	12,920
State of California, CAL OES, Valley Rape Crisis Center - Central, RC13 33 1024	65,061	57,880	57,880
State of California, CAL OES, Valley Rape Crisis Center - North, RC12 10 1024	35,257	5,090	5,090
State of California, CAL OES, Valley Rape Crisis Center - North, RC13 11 1024	35,257	30,476	30,476
Total State and Local Government Assistance	\$ 949,210	\$ 797,293	\$ 797,293

Young Women's Christian Association Silicon Valley and Related Entity
Supplementary Information Required by California Emergency Management Agency
Year Ended June 30, 2014

Project Title Services for Battered Women and Children
Grant award number DV13 27 1024
Grant period 07/01/13-06/30/14

	Expenditures by Revenue Source				Total Expenditures
	Budget	Federal VOCA	State DVPO	In-Kind Match State	
Personal services	\$ 365,853	\$ 203,646	\$ 142,205	\$ 20,002	\$ 365,853
Operating expenses	57,814		57,814		57,814
Totals	\$ 423,667	\$ 203,646	\$ 200,019	\$ 20,002	\$ 423,667

Project Title Valley Rape Crisis Center—Central
Grant award number RC13 33 1024
Grant period 09/01/13-08/31/14

	Expenditures by Revenue Source				Total Expenditures
	Budget	Federal VOCA	State	In-Kind Match Federal	
Personal services	\$ 269,870	\$ 187,628	\$ 49,866	\$	\$ 237,494
Operating expenses	96,012	26,107	8,014	50,140	84,261
Totals	\$ 365,882	\$ 213,735	\$ 57,880	\$ 50,140	\$ 321,755

Project Title Valley Rape Crisis Center—Central
Grant award number RC12 32 1024
Grant period 09/01/12-08/31/13

	Expenditures by Revenue Source			Total Expenditures
	Budget	Federal VOCA	State	
Personal services	\$ 261,418	\$ 47,107	\$ 10,247	\$ 57,354
Operating expenses	18,157	2,843	2,673	5,516
Totals	\$ 279,575	\$ 49,950	\$ 12,920	\$ 62,870

Project Title Valley Rape Crisis Center—North
Grant award number RC13 11 1024
Grant period 09/01/13-08/31/14

	Expenditures by Revenue Source				Total Expenditures
	Budget	Federal VOCA	State	In-Kind Match Federal	
Personal services	\$ 130,570	\$ 89,619	\$ 23,820	\$	\$ 113,439
Operating expenses	69,820	23,186	6,656	27,520	57,362
Totals	\$ 200,390	\$ 112,805	\$ 30,476	\$ 27,520	\$ 170,801

Project Title Valley Rape Crisis Center—North
Grant award number RC12 10 1024
Grant period 09/01/12-08/31/13

	Expenditures by Revenue Source			Total Expenditures
	Budget	Federal VOCA	State	
Personal services	\$ 126,333	\$ 16,573	\$ 4,951	\$ 21,524
Operating expenses	26,718	5,145	139	5,284
Totals	\$ 153,051	\$ 21,718	\$ 5,090	\$ 26,808

**Young Women's Christian Association Silicon Valley and Related Entity
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

There were no prior year audit findings.

Suite 1660
3550 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 317
528 Arizona Avenue
Santa Monica, California 90401

Telephone: (310) 394-6687
Facsimile: (310) 394-6027

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 614-0100
Facsimile: (213) 639-3555

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*

Board of Directors

Young Women's Christian Association Silicon Valley and Related Entity
San Jose, California

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 combined financial statements of Young Women's Christian Association Silicon Valley and its related entity, YWCA Third Street, Inc. (together referred to as "the Organization"), which comprise the combined statement of financial position as of June 30, 2014, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements and have issued our report thereon dated December 22, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organization's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's combined financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

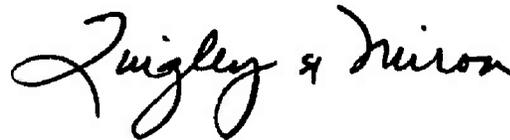
As part of obtaining reasonable assurance about whether the Organization's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 report is not suitable for any other purpose.

Los Angeles, California

December 22, 2014

A handwritten signature in black ink that reads "Quigley & Niron". The signature is written in a cursive style and is positioned to the right of the date and location text.

Suite 1660
3550 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 317
528 Arizona Avenue
Santa Monica, California 90401

Telephone: (310) 394-6687
Facsimile: (310) 394-6027

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 614-0100
Facsimile: (213) 639-3555

Independent Auditor's Report for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with OMB Circular A-133

Board of Directors
Young Women's Christian Association Silicon Valley and Related Entity
San Jose, California

Report on Compliance for Each Major Federal Program

We have audited the compliance of Young Women's Christian Association Silicon Valley and its related entity, YWCA Third Street, Inc. (together referred to as "the Organization") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2014. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's 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 compliance audit 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 its major federal award programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

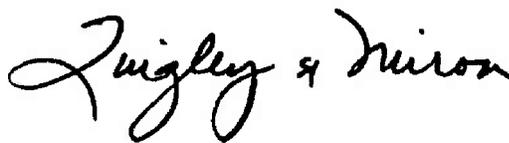
The Organization's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing 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 OMB Circular A-133, 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, as defined above. However, material weaknesses may exist that have not been identified.

Purpose of This Report

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Quigley & Diron". The signature is written in a cursive style and is positioned to the right of the date and location information.

Los Angeles, California
December 22, 2014

**Young Women's Christian Association Silicon Valley and Related Entity
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the combined financial statements of Young Women's Christian Association Silicon Valley and its related entity.
2. No material weaknesses or significant deficiencies relating to internal control over financial reporting were identified during the audit.
3. No instances of noncompliance material to the combined financial statements of Young Women's Christian Association Silicon Valley and its related entity were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to internal control over major programs were identified during the audit.
5. The auditor's report on compliance for the major federal award program of Young Women's Christian Association Silicon Valley and its related entity expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, Section 510(a).
7. The programs tested as major programs were the Department of Justice, Crime Victims Assistance, CFDA No. 16.575, and the Department of Justice, Congressionally Recommended Awards, CFDA 16.753.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Young Women's Christian Association Silicon Valley and its related entity qualified as a low-risk auditee.

B. Findings—Financial Statements Audit

None

C. Findings and Questioned Costs—Major Federal Award Program

None

**Young Women's Christian Association Silicon Valley and Related Entity
Corrective Active Plan
Year Ended June 30, 2014**

As there were no audit findings or questioned costs for the year ended June 30, 2014, a corrective action plan is not required.



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Habitat for Humanity East Bay/Silicon Valley, Inc. Date: 3/22/2016

Address: 2619 Broadway
Street Address Suite Number

Oakland CA 94612
City State ZIP Code

Phone: (510) 251-6304 Email: JGray@habitatebsv.org

Executive Director: Janice Jensen

Project Manager (PM): Jen Gray

PM's Phone: (510) 803-3313 PM's Email: JGray@habitatebsv.org

DUNS #: 79-519-4737

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission:

Habitat for Humanity East Bay/Silicon Valley, Inc. brings people together to build homes, communities and hope. We accomplish our mission by revitalizing neighborhoods, building affordable and sustainable housing solutions, and empowering families through successful homeownership. Since 1986, we have partnered with volunteers, the community, and households with limited incomes to strengthen communities in Alameda, Contra Costa and Santa Clara counties. Our vision is a world where everyone has a decent place to live.

Section B: Funding Request

Total funding requested for this project	\$26,000.00
Total cost of project	\$26,000
Other funds leverage for project i.e. Private Donations (estimation)	\$52,000
Other funds not secured by project	\$ 0
Are you getting County assistance, if so, please list	\$0

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

If a reduced level of funding is awarded, we will scale down the number of homes will be able to repair. If there are any cost overruns we will be covered through the built-in contingency in our construction/rehab costs and site supervision costs. We will be leveraging the \$1,000,000 CalHome funds that covers the majority of the hard costs of construction and site supervision during the construction of the repairs. We are requesting support in order to cover additional construction hard costs and administrative costs including overhead and program set-up.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

Habitat applied for CDBG funds for FY 2016-2017, we have yet to learn if we have been awarded.

Section C: Project Eligibility

Targeted Clientele: Below 80% AMI Manufactured Home Owners

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

The Manufactured Home Repair Program preserves homeownership, stabilizes neighborhoods, and reduces blight by providing critical home repairs to their owner-occupied existing homes. Since fiscal year 2012, Habitat EBSV has leveraged various funding sources to provide a total of 94 home repairs to qualified households throughout Alameda, Contra Costa, and Santa Clara Counties. We are requesting \$26,000 to leverage existing CalHome funding, allowing us to expand this program to serve up to five Milpitas households living in manufactured homes (mobile homes) through providing critical health and safety repairs for this underserved population. Participants of this program are cost-burdened and economically vulnerable to foreclosure and do not have the resources to invest in critical home improvements. By empowering residents of Milpitas through critical health and safety repairs, we will meet the need for healthy, safe and affordable living conditions for Milpitas residents living in manufactured homes. Repairs enable households to experience greater safety, health, comfort, and financial stability by decreasing their likelihood of foreclosure and allow them to age safely in place.

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

- Abused children
- Elderly persons 62 years or older
- Battered persons
- Severely disabled adults (not children) as defined by the Census
- Illiterate adults
- Persons living with HIV/AIDS
- Migrant farm workers
- Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

(3) Housing (select from the options below):

- Single Family (must be 100% LMI)
- Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	102	120	0
2. Cost Per Client Annually	15,000	19,700	5
3. How many are low- and very-low income?	102	120	5

4. Will the proposed assistance result in increase in clients? State projected number.	N/A	5	10
5. What is the total number of unduplicated clients/households to be served?	5	120	5

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

We have not received CDBG funds from the City of Milpitas.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Our Housing Counselor determines eligibility by calculating total gross income for all household members that are 18 years of age and older. The application includes an optional request of race/ethnicity, disability, and veteran statuses for household members in order for Habitat to assess the demographic make-up of our clients. We review and track titleholders through reviewing the certificate of title for each project.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

Habitat works with a large number of faith organizations, non-profits, and veteran organizations to help spread the word about our programs and the semi-monthly orientations that we host. Faith organizations continue to be a great partners for our organization. We will continue to hold orientations at various manufactured home parks to give detailed information about our program to the residents and park owners, and allow for Q&A. We will also bring the applications so that residents can fill out an application with one of our staff members.

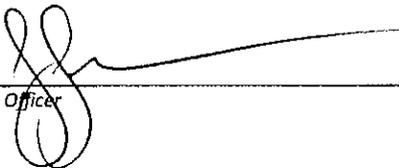
Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.



Signature of Executive Officer

3/24/2016
Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Manufactured Home Repair Program

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	\$18,870		\$18,870	
Benefits				
Rent				
Telephone				
Postage				
Printing (including Ads)				
Supplies	\$7,130	\$26,000	\$33,130	CalHome
Travel				
Utilities				
Equipment & Maintenance				
Dues & Subscriptions				
Accounting Services				
Contract Services				
Insurance				
Conference				
Miscellaneous				
TOTAL	\$26,000	\$26,000	\$52,000	

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Manufactured Home Repair Program

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Jen Gray Renovation and Repair Manager	25%	Lead all daily management of the repair program and staff including program strategy, budgeting, scheduling and compliance. Manages site superintendent and foreman.	Successfully manage 5 repairs from start to finish and through completed reporting.
Lesley Casto Homeowner Relations Manager	3%	Manage housing counselors including overseeing the edibility of the households based on our income qualification, and ensure that our compliance with all HUD requirements.	Ensure all homeowners understand the program and sign all necessary documents.
Ben Grubb Construction Director	3%	Oversee volunteers. Ensure quality control and site safety.	Ensure construction staff works effectively with the team and that all repairs meet standards and regulations.
Doug Stimpson Senior Vice President, Real Estate	3%	Oversee the entire program Home Repair Program, including approving and reviewing all the projects.	Ensure organization is meeting all budgets and numbers of households served in a timely manner.
Amy Johnson Assistant Project Manager	35%	Project manage each repair, making sure to meet all deadlines.	Successfully manage 5 repairs from start to finish and through completed reporting.
Jordan Griggs Repair Foreman	50%	Create home assessments and scopes of work for each repair project. Conduct all repairs.	Finish all 5 repairs ensuring that all the scopes of work are met thoroughly.
Alessandra Pio di Savoia Housing Counselor	5%	Conduct all application intake and income qualification.	Ensure all applicants are eligible based on program requirements.

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: 3/22/2016
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Manufactured Home Repair Program

Project Coordinator: Jen Gray

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Planning	X											
Outreach		X	X			X						
Construction					X		X	X	X	X	X	
Reporting									X	X	X	
Surveying												X

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Jen Gray

Title Repair and Renovation Manager

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Manufactured Home Repair Program

Date: 3/22/2016

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500		35,000
Benefits													
Telephone													
Postage													
Printing (incl. Ads)													
Supplies					10,250		10,250	10,250	10,250	10,250	10,250		61,500
Travel		142.86	142.86	142.86	142.86	142.86	142.86	142.86					1,000
Utilities													
Equip./Maintenance													
Dues & Subscriptions													
Accounting Services													
Contract Services													
Insurance													
Conference													
Miscellaneous		500.00				500.00							1,000
TOTAL	0	4,142.86	13,892.86	13,892.86	13,892.86	14,392.86	13,892.86	13,892.86	3,500	3,500	3,500	0	98,500



THE GOVERNING BOARD OF
Habitat for Humanity East Bay/Silicon Valley, Inc.

HEREBY AUTHORIZES THE SUBMITTAL OF A FUNDING APPLICATION IN RESPONSE TO THE CITY OF MILPITAS COMMUNITY DEVELOPMENT BLOCK GRANT REQUEST FOR PROPOSALS; AND THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING, ANY AMENDMENTS THERETO AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE PROGRAM.

WHEREAS:

- A. Habitat for Humanity East Bay/Silicon Valley (hereinafter referred to as "Corporation"), a nonprofit public benefit corporation, wishes to apply for and receive an allocation of funds through the City of Milpitas ("Milpitas") Community Development Block Grant Request for Proposals ("RFP") application; and
- B. Milpitas issued an RFP on March 4, 2016 in order to distribute their remaining funding for programs that support low-income residents; and
- C. Corporation repairs manufactured homes of families making below 80% of the Area Median Income. Corporation expects to repair up to five manufactured homes in Milpitas through this program ("Project"); and
- D. Corporation will respond to the RFP and request a grant funding allocation of up to \$27,000; if approved, Corporation will enter into an agreement with Milpitas.

IT IS NOW THEREFORE RESOLVED THAT:

- 1. The Corporation is authorized to submit to Milpitas an application for grant funding in response to the RFP and request a funding allocation of up to \$27,000 for the Project.
- 2. The Corporation authorizes Janice Jensen, President & CEO, or her designee to execute in the name of the Corporation, the application, the agreement, and all other instruments necessary or required to effectuate this funding.

PASSED AND ADOPTED THIS 22ND DAY OF MARCH, 2016, by the following vote:

AYES: 16 NAYS: 0 ABSTAIN: 0 ABSENT: 2

The undersigned, Kristin Lincoln, Secretary of the Corporation there before named does hereby attest and certify that the foregoing is a true and full copy of a resolution of the Governing Board adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

Signature

Date

A handwritten signature in black ink, appearing to read "Kristin Lincoln", written over a horizontal line.

3/24/2016



Application for Funding Community Development Block Grant (CDBG) July 1, 2016 - June 30, 2017

Official Use Only:

Date Received:

Staff Signature:

Application MUST be received by City staff by 5:00 P.M. Friday, February 5, 2016.

Section A: Applicant Information

Agency: Rebuilding Together Silicon Valley Date: March 23, 2016

Address: 1701 S. 7th Street, #10
Street Address *Suite Number*

San Jose CA 95112
City *State* *ZIP Code*

Phone: 408-578-9519 Email: bev@rebuildingtogethersv.org

Executive Director: Beverley Jackson

Project Manager (PM): Beverley Jackson

PM's Phone: 408-578-9519 X1002 PM's Email: bev@rebuildingtogethersv.org

DUNS #: 017547055

Type of Agency:

- 501 (c)(3)
- Government or Public Agency
- For - Profit
- Faith Based
- Other:

Project Category
(Check only one):

- Public Service
- Economic Development
- Capital Improvement Project (CIP)/non-public services

Agency's Mission: Bringing volunteers and communities together to improve the homes and lives of low-income homeowners in need.

Section B: Funding Request

Total funding requested for this project	\$26,652.60
Total cost of project	\$30,952.60
Other funds leverage for project i.e. Private Donations (estimation)	\$4,300.
Other funds not secured by project	\$
Are you getting County assistance, if so, please list	County funding received does not cover Milpitas residents or Milpitas service area.

Given the limited amount of funds, please identify the impact of the project if less than full funding is not received and how your agency plans to leverage other resources to implement the program:

Our program is effective in leveraging funds with volunteer labor and materials purchased in quantity and deeply discounted. Rebuilding Together will obtain matching community funding for projects through grants from foundations, community groups and corporate sponsorships. The total cost of the project and value of funds leveraged does not account for the complete value of skilled and volunteer labor contributed to each project. Last year, over 1,400 volunteers contributed donated labor valued at \$ 518,366. to RT home repair projects. Rebuilding Together will help as many residents as funding allows. In previous years, when increased funding was provided, we were able to assist additional residents than the current year.

Has your agency applied for CDBG funding before, which fiscal year and if successful, the amount awarded?

2015: \$49,610. 2014: \$103,707. 2013: \$39,222. 2012: \$64,444. 2011:\$40,000. 2010: \$43,144.
2009: \$20,000. 2008: \$10,000.

Section C: Project Eligibility

Targeted Clientele: Low to Moderate (below 80% of AMI) income, Milpitas homeowners

CDBG National Objective

Please identify the project's eligibility under CDBG's National Objective:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Provide a concise description of the proposed project:

Rebuilding Together will preserve and maintain affordable housing and provide a safe and secure living environment for 8 low-income households by providing safety, energy efficiency, accessibility and mobility repairs and improvements for very-low income homeowners in Milpitas. The project purpose is to improve the quality of life of low-income, aging and/or physically challenged adults/families by providing a suitable living environment through focused home repairs.

Milpitas residents who live on a fixed income may be less able to afford little beyond the most basic needs. On fixed incomes, even necessary expenses such as prescription medications can be difficult to afford while other important expenses, such as repairs to a leaking roof, failed water heater, or installation of grab bars, may be near impossible for low-income homeowners to afford. Our project strengthens the resiliency of low-income homeowners and the neighborhoods in which they live.

Repair work is completed at no charge to the client and can be on any type of owner occupied housing unit, such as a mobile home, condo, or single family house. The average RT client is 69 years of age and has lived in their home for over 23 years.

The primary consideration of repairs in the homes will be the correction of safety hazards to ensure affordable, decent living environment for the occupants. Work can include the following activities: accessibility modifications including wheelchair ramps/lifts, grab bars and hand rails, improved lighting installations, tub cut outs, door handle and faucet replacements for accessibility. Energy efficiency improvements, such as weather-stripping, appliance replacements/repairs, vent cleaning, CFL replacements & window repairs. Other home repair and rehabilitation work can include electrical repairs, roof repairs and replacements, interior and exterior painting, yard cleanup, plumbing repairs, and bathroom modification, flooring repairs and replacements, heating installation and repair, indoor and outdoor lighting and fences for safety, doors, steps, entryways (tripping hazards), replacement and/or repair of windows, doors, locks, and fire safety; smoke & CO alarms.

The Safe At Home program also completes critical and urgent repairs such as water heater replacements, heating restorations, plumbing repairs and roofing repairs/replacement utilizing independent skilled trade contractors and Rebuilding Together Repair Technician(s).

CDBG Criteria: What criteria does your proposed project meet?

(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)

(2) Limited Clientele (select from the options below):

(a) Special needs group

Abused children

Elderly persons 62 years or older

Battered persons

Severely disabled adults (not children) as defined by the Census

Illiterate adults

Persons living with HIV/AIDS

Migrant farm workers

Homeless persons

(b) At least 51% of clientele to be served will be documented as LMI

- (3) Housing (select from the options below):
- Single Family (must be 100% LMI)
 - Multi-unit (must be 51% LMI)

(4) Job Creation: At least 51% of jobs for LMI persons

Section D: Clientele Information (Quantitative Answers Only)

	Total (Current Figures)	Projected Numbers (Future)	# of Milpitas Clients Served
1. What is the total number of unduplicated clients to serve in past fiscal year?	25	14	62
2. Cost Per Client Annually	\$1950.	\$1908.	
3. How many are low- and very-low income?	25/100%	14/100%	
4. Will the proposed assistance result in increase in clients? State projected number.		Yes	
5. What is the total number of unduplicated clients/households to be served?	25 clients/18 households in Milpitas. 476 clients/280 households Santa Clara County wide.	14 clients/8 households in Milpitas. 510 clients/300 households Santa Clara County wide.	10% of total clients/households served

6. According to past invoices for reimbursements what has CDBG funds paid for i.e. salaries, cost of supplies etc.

Materials and construction project supplies, staff support/salaries, warehouse and utility costs, outreach costs and insurance.

7. Explain the basis for the data listed above (i.e. intake forms, surveys, etc.) and how does your agency record and track clients' demographics?

Homeowners submit an application requesting repair work. Applications information includes age and income for all household members. Prior to work completion clients submit verification of income for all members. Such as, paystubs, SSI verification, bank statements or previous year tax returns, and proof of ownership of the home.

8. What kind of outreach do you perform to get more Milpitas clients? How do you get new clients?

We do outreach with senior service providers, in home care providers, code enforcement, ads in the Milpitas Post, local faith communities and the local public access TV channel. Our outreach brochure is translated into Spanish, Vietnamese and Chinese.

Section E: Disclaimer and Signature

Financial Statement/Audit: Attach a copy of the agency's most recent Financial/Statement Audit Report.

- Please also complete the Supplemental Information, Exhibit A – Project Funding, Exhibit B – Project Work Plan, Exhibit C – Proposed Implementation Activity Time Schedule and Exhibit D – Monthly Budget.
- Also please attach an authorizing resolution by the Agency Board. Signature of the Applicant certifies that all the information provided herein is true and correct and that the Applicant Agency will submit any additional information requested. Applicant may be requested to complete additional forms if funding is approved.

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to funding, I understand that false or misleading information in my application may result in my release.



Signature of Executive Officer

3/23/16

Date

FOR STAFF USE ONLY:

Project Eligibility

This project's meets under the CDBG National Objective of:

- Benefit to Low and Moderate Income Persons or Households
- Elimination of Slums and Blight
- Urgent Need

Please identify what is the project's objective (check one only):

- Suitable Living Environment
- Decent Housing
- Economic Opportunity

Please identify the project's eligibility under CDBG's National Objective (check one only):

- Availability/Accessibility
- Sustainability
- Affordability

EXHIBIT A: PROJECT FUNDING – 2016-2017

Project Name: Rebuilding Safety Home Repairs and Accessibility Modifications

LINE ITEM	AMOUNT REQUESTED FROM THE CITY OF MILPITAS	FUNDING FROM OTHER SOURCES	TOTAL PROJECT COST	SOURCE OF FUNDING IF OTHER THAN CITY OF MILPITAS
Personnel	4,500.	900.	5,400.	Grants/Sponsors/donations
Benefits		1,080.	1,080.	Grants/Sponsors/donations
Rent	1,300.	100.	1,400.	Grants/Sponsors/donations
Utilities	100.	200.	300.	Grants/Sponsors/donations
Postage	50.	100.	150.	Grants/Sponsors/donations
Printing & Outreach	800.	100.	900.	Grants/Sponsors/donations
Materials & Supplies	9,652.60	930.	10,582.60	Grants/Sponsors/ Material donations
Telephone & Internet		50.	50.	Grants/Sponsors/donations
Office Equipment & Supplies		100.	100.	Grants/Sponsors/donations
Mileage/Vehicle Operation & Maintenance		200.	200.	Grants/Sponsors/donations
Dues & Subscriptions		200.	200.	Grants/Sponsors/donations
Audit (CDBG Portion)				Grants/Sponsors/donations
Contract Services	10,000.		10,000.	Sponsor inkind /Volunteer labor
Insurance	250.	40.	2,90.	Grants/Sponsors/donations
Volunteer Supplies & Support		300.	300.	Grants/Sponsors/donations
TOTAL	\$26,652.60	\$4,300.	\$30,952.60	

EXHIBIT B: PROJECT WORK PLAN

PROGRAM YEAR 2016-17

Project Name: Rebuilding Safety Home Repairs and Accessibility Modifications

RESPONSIBLE PERSON	% OF TIME ALLOCATED TO ACTIVITY	QUARTERLY ACTIVITY	OBJECTIVES
Client Services Manager	10%	Client Intake, phone screening, processing, program eligibility review, documentation collection and coordinating client communications.	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 48 Milpitas residents/30 households annually.
Program Manager	5%	Coordinates all community revitalization repair days, project selection, logistics, training, building trade's coordination, and final client application approval.	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 48 Milpitas residents/30 households annually.
Executive Director	7%	Oversight of operations, manages all aspects of the agency programs and operations and is authorized to submit and execute all contracts and applications on behalf of the organization.	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 48 Milpitas residents/30 households annually.
Client Outreach Coordinator	10%	Provides all outreach to ensure underserved populations are aware of services and have access to the program	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 48 Milpitas residents/30 households annually.
Construction Service Manager	5%	Provides home inspections and assessments of repair needs and determination of level of repairs and scope of work, vendor review and procurement, review of work scopes and scheduling and supervision of Repair Technicians	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 48 Milpitas residents/30 households annually.
Repair Technicians	As needed to provide safety and accessibility repairs for Milpitas homeowners	Complete safety, accessibility and mobility Repairs	To preserve affordable housing by providing safety repairs and accessibility and mobility improvements to 48 Milpitas residents/30 households annually.

EXHIBIT C: PROPOSED IMPLEMENTATION ACTIVITY TIME SCHEDULE

List in detail the major activities to be undertaken to implement the project and the scheduled time they will begin and be completed. Once approved, projects will be closely monitored during implementation according to this time schedule:

Program Year 2016-17
 Date Prepared: 3/23/16
 Revisions _____
 Final Approval _____
 Approved Revisions _____

Project Name: Rebuilding Safety Home Repairs and Accessibility Modifications

Project Coordinator: Beverley Jackson

MONTHS ENDING

TYPE OF ACTIVITIES	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
Client outreach, intake, and application processing.	x	x	x	x	x	x	x	x	x	x	x	x
Home inspection, assessment of repair needs. Project approval and work scope creation.	x	x	x	x	x	x	x	x	x	x	x	x
Completion of safety, energy efficiency, mobility/accessibility and urgent critical repairs (Safe At Home)	x	x	x	x	x	x	x	x	x	x	x	x
Completion of Rebuilding Day projects (community revitalization projects, including painting, yard clean up and debris removal)				x						x		

Can this project be incorporated into the on-going work load of the applicant and successfully be implemented according to this schedule?

Yes No Schedule Prepared By Beverley Jackson Title Executive Director

EXHIBIT D: MONTHLY PROJECT BUDGET

PROGRAM YEAR 2016-2017

Project Name: Rebuilding Safety Home Repairs and Accessibility Modifications

Date: 3/23/16

LINE ITEMS	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
Personnel	375.	375.	375.	375.	375.	375.	375.	375.	375.	375.	375.	375.	4,500.
Benefits													
Rent	108.	108.	108	108	108	108	108	108	108	108	108	112.	1,300.
Utilities			25.			25.			25.			25.	100.
Postage			25.			25.							50.
Printing & Outreach			300.			300			200				800.
Materials & Supplies	852.	800.	800.	800	800	800	800.	800.	800.	800.	800.	800.60	9,652.60
Telephone & Internet													
Office Equip & Supplies													
Mileage/Vehicle operation & Maintenance													
Dues & Subscriptions													
Audit (CDBG Portion)													
Contract Services				2,500		2,500.			2,500			2,500.	10,000.
Insurance						250.							250.
Volunteer Supplies/Support													
TOTAL	1,335.	1,283.	1,633.	3,783.	1,283.	4,383.	1,283.	1,283.	4,008.	1,283.	1,283.	3,812.60	\$26,652.6

