

**LOVE NEVER FAILS**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**

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**LOVE NEVER FAILS**  
**Financial Statements**  
**For the Year Ended December 31, 2019**

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**LOVE NEVER FAILS**  
**BOARD OF DIRECTORS**

**DECEMBER 31, 2019**

Vanessa Russell, Chairperson  
Mick Burke, Vice Chairperson & Secretary  
HuLynne Besharatpour, Treasurer  
Alvin DaCosta  
Brianna Williams  
Karla Rivera  
Ed Sayson

**MANAGEMENT**

Vanessa Russell, Founder & Executive Director

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Love Never Fails  
Dublin, California

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Love Never Fails (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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 the Organization as of December 31, 2019, 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 7, 2020, 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.

*Mazze & Associates*

Pleasant Hill, California  
October 7, 2020

LOVE NEVER FAILS  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2019

ASSETS

Current Assets

Cash and cash equivalents (Note 3)	\$125,281
Accounts receivable	<u>477</u>
Total Current Assets	<u>125,758</u>

Non-Current Assets

Property and equipment, net	<u>2,471</u>
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TOTAL ASSETS	<u><u>\$128,229</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$7,333
Accrued liabilities	<u>5,028</u>
Total Liabilities	<u>12,361</u>

Net Assets (Note 2A)

Without Donor Restrictions	34,218
With Donor Restrictions (Note 4)	<u>81,650</u>
Total Net Assets	<u>115,868</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$128,229</u></u>
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See accompanying notes to financial statements

LOVE NEVER FAILS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Foundation grants		\$112,150	\$112,150
Individual contributions	\$130,356		130,356
Business contributions	66,791		66,791
Ministry partners contribution	73,259		73,259
Government support	268,754		268,754
Fundraising	10,225		10,225
Direct program income	40,780		40,780
Other income	111,585		111,585
Net assets released from restrictions (Note 4)	38,833	(38,833)	
	<u>740,583</u>	<u>73,317</u>	<u>813,900</u>
<b>EXPENSES</b>			
Program services	567,258		567,258
Support services:			
Management and general	183,570		183,570
Fundraising	46,683		46,683
	<u>230,253</u>		<u>230,253</u>
Total Supporting Services			
Total Expenses	<u>797,511</u>		<u>797,511</u>
Increase (decrease) in net assets	(56,928)	73,317	16,389
Net assets, at beginning of year	91,146	8,333	99,479
Net assets, at end of year	<u>\$34,218</u>	<u>\$81,650</u>	<u>\$115,868</u>

See accompanying notes to financial statements



LOVE NEVER FAILS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

FUNCTIONAL EXPENSES	Program		Supporting Services		Total
	General Program	Safe House	Management and General	Fundraising	
Compensation and related expenses:					
Salaries	\$107,113	\$193,582	\$59,053	\$32,669	\$392,417
Payroll taxes and benefits	6,322	17,663	31,640		55,625
Sub-total	113,435	211,245	90,693	32,669	448,042
Advertising and promotion (Note 2J)	738	50	335	505	1,628
Direct client services	430	14,147	1,379		15,956
Facility rental	12,000	1,256	1,646		14,902
Food	373	410	173		956
Grants to others	648	480	2,000		3,128
Insurance			9,364		9,364
Media outreach	13,050		1,200		14,250
Meeting expense	289	142	2,202	344	2,977
Miscellaneous	3,322	6,090	2,509		11,921
Office expense	1,359	248	6,938	285	8,830
Outside services	8,319	63,305	51,949	1,461	125,034
Postage and shipping		40	141		181
Program materials and supplies	11,284	3,944	3,349	112	18,689
Rent (Note 6D)		61,413			61,413
Repairs and maintenance		2,463	53		2,516
Special events	340		230	11,268	11,838
Telephone		582	507		1,089
Travel and transportation	9,124	12,212	8,902	39	30,277
Utilities		14,520			14,520
Total Functional Expenses	<u>\$174,711</u>	<u>\$392,547</u>	<u>\$183,570</u>	<u>\$46,683</u>	<u>\$797,511</u>

See accompanying notes to financial statements

LOVE NEVER FAILS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	<u>\$16,389</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	16,225
Accounts payable	(1,982)
Accrued liabilities	<u>5,028</u>
Net Cash Provided by Operating Activities	<u>35,660</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	<u>(2,471)</u>
Net Cash (Used) by Investing Activities	<u>(2,471)</u>

INCREASE IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents, beginning of year	<u>92,092</u>
Cash and cash equivalents, end of year	<u><u>\$125,281</u></u>

Supplemental disclosure to the cash flow statement:

The Organization paid no taxes or interest in 2019.

See accompanying notes to financial statements

**LOVE NEVER FAILS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**NOTE 1 – REPORTING ENTITY**

Love Never Fails (the Organization) is a nonprofit charitable corporation originally incorporated in December 2011 after the Founder’s teenage daughter experienced human trafficking in the San Francisco Bay Area. The Board of Directors and Advisory Board include thriving survivors and their families, business owners, teachers, social workers, Pastors, local government executives, attorneys, health care workers, etc. All of the non-profit Board and Advisory members are engaged on a voluntary basis, except for the Board President who serves as the Organization’s Executive Director and began receiving a salary during 2018. They are committed to the wellbeing of all youth, and are driven to restoration, education and protecting them from sex trafficking.

Love Never Fails is committed to providing members of the under-served and under-represented community including human trafficking survivors, foster, system involved and/or transitional aged youth, teenage parents, etc. an opportunity to compete for professional careers in sustainable industries.

**Programs**

To address the dire need of the housing crisis, Love Never Fails launched the I AM House of Restoration in March 2015. The I AM House is an 18-month, trauma informed program that provides safe housing and services to an average of 26 women survivors and their children each year.

Love Never Fails, 3Strand Global, and Fredrick Douglass Family Initiatives, in partnership with the California Department of Education and the California Office of the Attorney General, have joined together in the fight against human trafficking to launch a statewide prevention education initiative called PROTECT. The joint mission is to reduce the vulnerability of children by identifying and preventing human trafficking using a standardized trauma informed education curriculum and systematic delivery methodology.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

The Organization reports information regarding its financial position and activities according to two classes of net assets.

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

**LOVE NEVER FAILS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Net Assets With Donor Restrictions* – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the 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.

**B. *Contributions and Grants***

All grants are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support and revenues with donor restrictions that increases that net asset class. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**C. *Cash and Cash Equivalents***

For purposes of reporting cash flows, the Organization considers highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**D. *Concentration of Credit Risk***

The Federal Deposit Insurance Corporation (“FDIC”) insures account balances at each insured institution. The Organization maintains deposit accounts with financial institutions and may carry balances that exceed FDIC insurance limits.

**E. *Receivables***

Receivables are recorded net of an allowance for expected losses. The allowance is recorded based on an estimate of the expected collectability of the amounts.

**LOVE NEVER FAILS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***F. Donated Assets***

Donated property and equipment are reported as increases in net assets without donor restrictions unless the donor has restricted the use of donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

***G. Income Taxes***

The Organization is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The Organization paid no taxes on unrelated business income in the year ended December 31, 2019.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Organization's tax returns remain open for federal income tax examination for three years from the date of filing.

***H. 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 at the date of the financial statement and revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

***I. Functional Allocation of Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on the type of expense.

The Organization allocated its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly. Indirect costs are allocated among program and support services on a basis proportionate to the direct staff time or other method which best measures the relative degree of benefit.

**LOVE NEVER FAILS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J.     *Advertising Costs***

Advertising costs are expensed as incurred and totaled \$1,628 for fiscal year ended December 31, 2019.

**K.     *Fair Value Measurements***

The Organization reports certain assets and liabilities at fair value in the financial statements. 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 observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These 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, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the Foundations develops inputs using the best information available in the circumstances.

**L.     *Subsequent Event***

On March 11, 2020, the World Health Organization declared the novel strain of Coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. As a result, equity markets have significantly declined from their historically high levels, and the Organization's community store is temporarily closed. The impact to the Organization is unknown at this time, therefore, no contingency has been recorded in these financial statements.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of deposits in banks and are reported at their fair market values using level 1 fair value measures (quoted prices in active markets) in the Statement of Financial Position.

**LOVE NEVER FAILS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2019, net assets with donor restrictions consisted of the following:

Contra Costa Program Expansion	\$79,150
Workforce Development - Survivors of Human Trafficking	<u>2,500</u>
Total Net Assets With Donor Restrictions	<u><u>\$81,650</u></u>

For the year ended December 31, 2019, net assets were released from restrictions as follows:

Program	Amount
Safe House - General Support	\$8,333
Safe House - Case Manager Salary	10,000
Workforce Development - Survivors of Human Trafficking	7,500
Workforce Development - IT BIZ Graduation	2,000
Safe House - Children of Survivors of Human Trafficking	10,000
Restoration - Survivor Dance Team	<u>1,000</u>
Total	<u><u>\$38,833</u></u>

**NOTE 5 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consisted of the following at December 31, 2019:

Total current financial assets:	
Cash and cash equivalents	\$125,281
Accounts receivable	<u>477</u>
Total current financial assets	125,758
Contractual or donor-imposed restrictions:	
Donor-imposed restrictions	<u>(81,650)</u>
Financial Assets Available to Meet Cash	
Needs for Expenditures Within One Year	<u><u>\$44,108</u></u>

**LOVE NEVER FAILS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**NOTE 6 – FACILITY LEASES**

As of December 31, 2019, the Organization has the following three operating leases:

**A. *The New Hope Christian Fellowship Office Lease***

On May 1, 2018, Love Never Fails entered into a lease agreement with the New Hope Christian Fellowship for its Hayward office. The term of the lease is month-to-month with a commencement date of May 1, 2018. The starting monthly rent expense is \$1,200.

**B. *Safe House Lease #1***

On July 16, 2015, Love Never Fails entered into a lease agreement with an individual for its first safe house. The lease commencement date was August 1, 2015 and initially expired on July 31, 2016, however, the parties opted to extend the term for an additional two years in accordance with the first of two two-year options built into the agreement. The lease was renewed on April 1, 2019 and expires on March 31, 2020, with an option to extend the lease for an additional two years. The lease is for 2600 rentable square feet and a monthly rent expense of \$3,500.

**C. *Safe House Lease #2***

On December 1, 2019, Love Never Fails entered into a lease agreement with an individual for its second safe house. The term of the lease is 6 months with a commencement date of December 1, 2019 and expiration date of June 30, 2020, with an option to extend the term for an additional two years. The starting monthly rent expense is \$2,700, with an additional \$150 per month for storage when available.

**D. *Rent Expense***

Total rent expense for the year ended December 31, 2019 was \$76,315.



**Love Never Fails**  
**Schedule of Funds for Alameda County Grants**  
**Fiscal Year ending December 31, 2019**

PC No.: 15722

PO No.: 15211

Contract No.: 901416

Contract Amount: \$122,544.00

Contract Period: 7/1/2018 - 6/30/2019

<b>Line Item</b>	<b>Q1 (Jan-Mar 2019)</b>	<b>Q2 (Apr-Jun 2019)</b>	<b>Total Billed</b>
House Manager	\$3,977.00	\$3,977.00	\$7,954.00
Program Manager	\$3,033.50	\$3,033.50	\$6,067.00
Services Coordinator	\$3,977.00	\$3,977.00	\$7,954.00
Workforce Dev. Coord	\$5,000.00	\$5,000.00	\$10,000.00
Administrator	\$1,250.00	\$1,250.00	\$2,500.00
FICA	\$1,308.75	\$1,308.75	\$2,617.50
Unemployment Ins	\$147.75	\$147.75	\$295.50
Workers Comp	\$229.50	\$229.50	\$459.00
Rent	\$10,500.00	\$10,500.00	\$21,000.00
Travel & Mileage	\$1,212.50	\$1,212.50	\$2,425.00
<b>Total Billed</b>	<b>\$30,636.00</b>	<b>\$30,636.00</b>	<b>\$61,272.00</b>

PC No.: 19175

PO No.: 17039

Contract No.: 901416

Contract Amount: \$213,275.52

Contract Period: 7/1/2019 - 6/30/2020

<b>Line Item</b>	<b>Q3 (Jul-Sep 2019)</b>	<b>Q4 (Oct-Dec 2019)</b>	<b>Total Billed</b>
House Manager	\$3,977.00	\$6,750.00	\$10,727.00
Program Manager	\$1,950.00	\$4,290.16	\$6,240.16
Services Coordinator	\$1,771.75	\$3,977.00	\$5,748.75
Workforce Dev. Coord	\$1,250.00	\$1,250.00	\$2,500.00
Administrator	\$1,250.00	\$1,250.00	\$2,500.00
FICA	\$1,308.75	\$1,308.75	\$2,617.50
Unemployment Ins	\$147.75	\$147.75	\$295.50
Workers Comp	\$229.50	\$229.50	\$459.00
Rent	\$10,500.00	\$13,200.00	\$23,700.00
Travel & Mileage	\$1,069.73	\$1,212.50	\$2,282.23
<b>Total Billed</b>	<b>\$23,454.48</b>	<b>\$33,615.66</b>	<b>\$57,070.14</b>

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

To the Board of Directors  
Love Never Fails  
Dublin, 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 basic financial statements of the Love Never Fails, as of and for the year ended December 31, 2019, and have issued our report thereon dated October 7, 2020.

***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 opinions 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 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 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 that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated October 7, 2020 which is an integral part of our audit and should be read in conjunction with this report.

### ***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.

*Maze & Associates*

Pleasant Hill, California  
October 7, 2020