

**Restorative Partners, Inc.**

**Financial Statements**

**Year Ended June 30, 2020**

**Restorative Partners, Inc.**  
**Financial Statements**  
**Year Ended June 30, 2020**

**Table of Contents**

	<b>Page</b>
Independent Auditors' Report	3-4
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9-16
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17-18



## Independent Auditors' Report

To the Board of Directors of  
Restorative Partners, Inc.

We have audited the accompanying financial statements of Restorative Partners, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

**Board of Directors of  
Restorative Partners, Inc.  
Page 2**

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Restorative Partners, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Audit Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020, on our consideration of Restorative Partners, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Restorative Partners, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Restorative Partners, Inc.'s internal control over financial reporting and compliance.

*Glenn Burdette Attest Corporation*

Glenn Burdette Attest Corporation  
San Luis Obispo, California

October 22, 2020

**Restorative Partners, Inc.**  
**Statement of Financial Position**  
**June 30, 2020**

**Assets**

**Current assets:**

Cash and cash equivalents	\$ 797,353
Contract receivables	106,277
Prepaid expenses and other current assets	<u>10,789</u>
Total current assets	914,419

Fixed assets, net of accumulated depreciation and amortization	<u>1,842,248</u>
--	------------------

Total assets	<u><u>\$ 2,756,667</u></u>
--------------	----------------------------

**Liabilities and Net Assets**

**Current liabilities:**

Accounts payable	\$ 3,837
Accrued expenses	14,555
Accrued payroll and payroll taxes	25,285
Compensated absences payable	8,209
Current portion of notes payable, net of unamortized debt issuance costs	<u>28,611</u>
Total current liabilities	<u>80,497</u>

**Long-term liabilities:**

Notes payable, net of current portion and unamortized debt issuance costs	1,389,090
Paycheck Protection Program note payable	<u>124,100</u>
Total long-term liabilities	<u>1,513,190</u>

Total liabilities	<u>1,593,687</u>
-------------------	------------------

**Net assets:**

Without donor restrictions	1,150,638
With donor restrictions	<u>12,342</u>
Total net assets	<u>1,162,980</u>

Total liabilities and net assets	<u><u>\$ 2,756,667</u></u>
----------------------------------	----------------------------

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

**Restorative Partners, Inc.**  
**Statement of Activities**  
**Year Ended June 30, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, support and gains:</b>			
Grants - Federal	\$ 93,571	\$	\$ 93,571
Grants - Other	110,000		110,000
Contract income	664,895		664,895
Contributions	124,900	2,500	127,400
Program fees	55,094		55,094
Event revenue, net of cost of direct benefits	144,011		144,011
Less cost of direct benefits to donors	(4,028)		(4,028)
Net special event revenue	139,983		139,983
In-kind facilities donation	13,950		13,950
Interest income	586		586
Miscellaneous income	1,384		1,384
Net assets released from restrictions	2,048	(2,048)	-
Total revenue, support and gains	1,206,411	452	1,206,863
<b>Expenses:</b>			
Program services	804,118		804,118
Supporting services:			
Management and general	260,448		260,448
Fundraising and development	74,091		74,091
Total expenses	1,138,657		1,138,657
<b>Change in net assets</b>	67,754	452	68,206
<b>Net assets - beginning of year</b>	1,082,884	11,890	1,094,774
<b>Net assets - end of year</b>	\$ 1,150,638	\$ 12,342	\$ 1,162,980

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

**Restorative Partners, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2020**

	Program Services	Supporting Services		Total
		Management and General	Fundraising and Development	
Accounting services	\$	\$ 7,989	\$	\$ 7,989
Computer and internet	8,691	24,258		32,949
Contract services		770		770
Culinary arts program and supplies	22,025			22,025
Depreciation expense	35,110	168		35,278
Drug testing - recovery home	3,331			3,331
Equipment lease expense		3,081		3,081
Fundraising events			22,714	22,714
Furniture and equipment	3,045	1,561		4,606
Garden project supplies	1,981			1,981
Groceries - recovery home	21,751			21,751
Home and liability insurance	11,185	12,622		23,807
Interest expense - recovery home	61,690			61,690
Landscaping - recovery home	5,350			5,350
Media services		27,109		27,109
Medical expenses	490			490
Office supplies		3,192		3,192
Other administrative expenses		8,664		8,664
Other program expenses	851			851
Printing, postage, and mailing		7,666		7,666
Program qualification	715			715
Recreational activities	1,481			1,481
Rent - office		75,256		75,256
Rent - recovery home	58,906			58,906
Repairs and maintenance	3,054	76		3,130
Salaries and related expenses	506,468	83,107	55,405	644,980
Security - recovery home	2,475			2,475
Supplies - recovery home	3,723			3,723
Travel and training		2,900		2,900
Utilities - recovery home	32,773			32,773
Vehicle expense	19,023	2,029		21,052
Total expenses by function	804,118	260,448	78,119	1,142,685
Less expenses included with revenues on the statement of activities:				
Cost of direct benefits to donors			(4,028)	(4,028)
Total expenses included in the expense section on the statement of activities	\$ 804,118	\$ 260,448	\$ 74,091	\$ 1,138,657

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

**Restorative Partners, Inc.**  
**Statement of Cash Flows**  
**Year Ended June 30, 2020**

**Cash flows from operating activities:**

Change in net assets		\$ 68,206
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	\$ 35,278	
Amortization of loan fees	1,516	
Changes in operating assets and liabilities:		
Contracts receivable	(38,158)	
Accounts payable	2,554	
Accrued expenses	(4,039)	
Accrued payroll and payroll taxes	4,485	
Compensated absences payable	8,209	
Total adjustments		<u>9,845</u>
Net cash provided by operating activities		<u>78,051</u>

**Cash flows from financing activities:**

Repayment of notes payable	(19,076)	
Borrowing on notes payable	<u>284,100</u>	
Net cash provided by financing activities		<u>265,024</u>

Net increase in cash and cash equivalents 343,075

**Cash and cash equivalents - beginning of year** 454,278

**Cash and cash equivalents - end of year** \$ 797,353

**Supplemental disclosure of cash flow information:**

Cash paid for interest during the year		\$ 61,690
--	--	-----------

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

**Restorative Partners, Inc.**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 1: Nature of Business**

Restorative Partners, Inc. (the Organization) is a nonprofit organization incorporated for charitable purposes as permitted under section 501(c)(3) of the Internal Revenue Code. The Organization's purpose is to provide rehabilitation services and programs for current inmates and those recently released from incarceration. The Organization also provides clean and sober temporary housing for men and women recovering from substance abuse, and their children. The Organization maintains five recovery homes on the Central Coast of California. Major sources of revenue are service contracts with San Luis Obispo County and local organizations, individual donations, and grants from various companies and other nonprofit organizations.

**Note 2: Summary of Significant Accounting Policies**

**Cash and Cash Equivalents**

For purposes of the statement of cash flow, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. As of June 30, 2020, the Organization had \$740,493 of cash equivalents.

**Contract Receivables and Allowance for Doubtful Accounts**

It is the policy of management to review all outstanding receivables at year-end, as well as historical bad debt write-offs and aging analysis, and establish an allowance for doubtful accounts for estimated uncollectible amounts. Any bad debts in the future would be charged to expense as incurred. At June 30, 2020, management believed that no allowance for doubtful accounts was necessary for contract receivables.

**Property and Equipment**

Property and equipment are shown at cost or fair value on the date of acquisition or contribution. The Organization's policy is to capitalize fixed assets with a value of \$2,000 or more. Depreciation is recorded over their estimated useful lives using the straight-line depreciation method over 5 to 40 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the statement of financial position and the resulting gain or loss is reflected in the statement of activities in the period realized. Maintenance and repairs are charged to operations as incurred.

**Net Assets**

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

**Restorative Partners, Inc.**

**Notes to Financial Statements**

**June 30, 2020**

**Page 2**

**Note 2: Summary of Significant Accounting Policies (Continued)**

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may from time to time designate a portion of this asset class for specific projects or activities. There were no board restricted net assets at June 30, 2020.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Revenue and Revenue Recognition**

A portion of the Organization's revenue is derived from cost-reimbursable government and private contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures have been incurred in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization also receives rate-based revenue, based on established rates set by the grantor.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**Change in Accounting Principle**

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made* (Topic 605) and ASU No.

**Restorative Partners, Inc.**

**Notes to Financial Statements**

**June 30, 2020**

**Page 3**

**Note 2: Summary of Significant Accounting Policies (Continued)**

2014-09 *Revenue Recognition from Contracts with Customers* and subsequent amendments, as management believes the standards improve the usefulness and understandability of the Organization's financial reporting. There have been no changes to these financial statements as a result of the adoption of these ASUs.

**Income Taxes**

The Organization is organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. Annually, the Organization files a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. Management has determined the Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**Donated Materials and Services**

The Organization receives donations of time and services from members of the community and volunteers which are recorded in the financial statements 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. However, the value of these donations is not reflected in the accompanying financial statements since they do not meet the two recognition criteria described above. In-kind donations of facilities and supplies used directly by the Organization are valued at their appraised values at the time of the bequest. The Organization received a donation of facilities rent valued at \$13,950 for the year ended June 30, 2020.

**Estimates**

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

**Concentrations**

*Credit Risk:*

The Organization maintains cash balances at a financial institution. The Federal Deposit Insurance Corporation (FDIC) insures interest bearing accounts at each institution up to \$250,000. At times the balances may exceed federally insured limits. At June 30, 2020, cash and cash equivalents included \$526,661 which are above the FDIC insured limit.

**Note 2: Summary of Significant Accounting Policies (Continued)**

*Major Contributors:*

At June 30, 2020, three entities accounted for 96% of the Organization’s total contract receivables, and three entities accounted for 90% of the Organization’s total contract revenue.

**Functional Expense Allocations**

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, including salaries and workers compensation insurance have been allocated among the programs and supporting services benefited based upon estimates of time and effort.

**Note 3: Liquidity and Availability**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 797,353
Contract receivables	106,277
Less: net assets with purpose restrictions	<u>(12,342)</u>
	<u>\$ 891,288</u>

The current contract receivables of \$106,277 consist of contracts with the County of San Luis Obispo and private grantors. These amounts are expected to be collected in the year ended June 30, 2021.

The Organization has investment policies which allow a portion of its cash to be invested based on its anticipated need or use. In practice, all of the Organization’s cash has been placed in demand deposits or money market accounts at a bank.

**Note 4: Contract Receivables**

At June 30, 2020, contract receivables consisted of the following:

GEO Solutions	\$ 54,856
San Luis Obispo County	35,316
RISE	12,057
Other contract receivables	<u>4,048</u>
Total	<u>\$ 106,277</u>

**Restorative Partners, Inc.**

**Notes to Financial Statements**

**June 30, 2020**

**Page 5**

**Note 5: Property and Equipment**

At June 30, 2020, property and equipment consisted of the following:

Buildings	\$	1,885,640
Furniture, fixtures and equipment		19,167
Vehicles		44,016
		<u>1,948,823</u>
Less accumulated depreciation and amortization		<u>(106,575)</u>
Fixed assets, net of accumulated depreciation and amortization	\$	<u>1,842,248</u>

**Note 6: Notes Payable**

At June 30, 2020, principal payments and unamortized debt issuance costs on notes payable, consisted of the following:

	<u>Principal</u>	<u>Unamortized Debt Issuance Costs</u>	<u>Total</u>
Note payable to U.S. Small Business Administration, issued in the amount of \$10,000 on April 17, 2020, payable in full by November 2020 and is unsecured.	\$ 10,000	\$	\$ 10,000
Note payable to the U.S. Small Business Administration, issued in the amount of \$150,000 on June 10, 2020, payable in monthly installments of \$641, including interest at 2.75% per annum, beginning June 10, 2021. Note matures on June 10, 2050 and is unsecured.	150,000		150,000
Note payable to 1st Capital Bank, issued in the amount of \$444,500 on January 3, 2018, payable in monthly installments of \$2,270, including interest at 4.50%, increasing in February 2023 to \$2,389 with adjustable interest at prime plus .50%. Note is payable in full, including all remaining unpaid principal and interest, on the maturity date January 5, 2028. Secured by real property.	428,044		428,044

**Restorative Partners, Inc.**  
**Notes to Financial Statements**  
**June 30, 2020**  
**Page 6**

**Note 6: Notes Payable (Continued)**

	<u>Principal</u>	<u>Unamortized Debt Issuance Costs</u>	<u>Total</u>
Note payable to 1st Capital Bank, issued in the amount of \$875,000 on January 1, 2018, payable in monthly installments of \$4,336, including interest at 4.25% , increasing in February 2023 to \$4,683 with adjustable interest at prime plus .50%. Note is payable in full, including all remaining unpaid principal and interest, on the maturity date January 16, 2028. Secured by real property.	\$ 840,500	\$ (10,843)	\$ 829,657
	1,428,544	(10,843)	1,417,701
Less current portion	30,057	(1,446)	28,611
Notes payable, net of current portion	<u>\$ 1,398,487</u>	<u>\$ (9,397)</u>	<u>\$ 1,389,090</u>

At June 30, 2020, the future minimum principal payments and amortization of debt issuance costs on notes payable were as follows:

<u>For the Year Ended June 30,</u>	<u>Principal</u>	<u>Amortization of Debt Issuance Costs</u>	<u>Total</u>
2021	\$ 30,057	\$ (1,446)	\$ 28,611
2022	24,530	(1,446)	23,084
2023	27,979	(1,446)	26,533
2024	32,607	(1,446)	31,161
2025	34,091	(1,446)	32,645
Thereafter	1,279,280	(3,613)	1,275,667
	<u>\$ 1,428,544</u>	<u>\$ (10,843)</u>	<u>\$ 1,417,701</u>

In addition, the Organization has a Paycheck Protection Program (PPP) note payable to 1st Capital Bank, issued in the amount of \$134,100 on April 17, 2020. The note matures on April 17, 2022 and is unsecured. This note, guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief and Economic Security Act has had repayment terms extended under the PPP Flexibility Act of 2020 subject to forgiveness approval by the SBA. Management expects the note payable to be forgiven, less the \$10,000 grant received under the Economic Injury Disaster Loan that will be paid back, based upon costs incurred and is not included in the preceding table.

**Restorative Partners, Inc.**  
**Notes to Financial Statements**  
**June 30, 2020**  
**Page 7**

**Note 7: Operating Leases**

The Organization leases several properties for office space and to use as recovery home sites. These leases extend through September 2021. Total rent expense under these leases was \$134,162, including \$13,950 in in-kind facilities donation, for the year ended June 30, 2020. As of June 30, 2020, future minimum payments under these lease agreements were as follows:

<u>For the Year Ending June 30,</u>	
2021	\$ 92,053
2022	<u>19,654</u>
Total	<u>\$ 111,707</u>

The Organization also leases office printers under an operating lease agreement which extends through 2022. Total rent expense under this lease was \$3,081 for the year ended June 30, 2020. As of June 30, 2020, future minimum payments under this lease agreement was as follows:

<u>For the Year Ending June 30,</u>	
2021	\$ 2,544
2022	<u>2,544</u>
Total	<u>\$ 5,088</u>

**Note 8: Designations and Restrictions on Net Assets**

At June 30, 2020, the Organization had the following net assets with donor restrictions:

Subject to expenditure for specified purpose:	
JH garden project	\$ 1,909
JH bookclub	933
Anna's Home playground	7,000
Re-entry clients	<u>2,500</u>
	<u>\$ 12,342</u>

At June 30, 2020, the Organization had no board designations on their net assets without donor restrictions.

**Note 9: COVID-19 Pandemic**

The Organization has been impacted by the recent COVID-19 pandemic. Due to the uncertainty surrounding the pandemic, the length and severity of the outbreak, and the volatility in the world investment markets, there is uncertainty as to how these events will affect results of operations. The Organization has had limited access to some clients and has had to scale back some of the services provided, although they have been able to continue operating their group homes in compliance with State and County guidelines and are continuing to pursue alternative ways to provide services and additional funding sources.

**Note 10: Subsequent Events**

Events subsequent to June 30, 2020 have been evaluated through October 22, 2020, which is the date the financial statements were available to be issued. Management did not identify any subsequent events that require disclosure.



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

To the Board of Directors of  
Restorative Partners, Inc.

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 Restorative Partners, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2020.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

**Board of Directors**  
**Restorative Partners, Inc.**  
**Page 2**

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 Restorative Partners, Inc.'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, 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.

*Glenn Burdette Attest Corporation*

Glenn Burdette Attest Corporation  
San Luis Obispo, California

October 22, 2020