



**COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW,  
LOS ALTOS, AND LOS ALTOS HILLS**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Community Services Agency of Mountain View, Los Altos, and Los Altos Hills

We have audited the accompanying financial statements of Community Services Agency of Mountain View, Los Altos, and Los Altos Hills (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019 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 statement 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 audits. We conducted our audits 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 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 Community Services Agency of Mountain View, Los Altos, and Los Altos Hills as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 2 to the financial statements, during the year ended June 30, 2020, Community Services Agency of Mountain View, Los Altos, and Los Altos Hills adopted new accounting guidance Accounting Standards Update No. 2014-09 *Revenue from Contracts with Customers* (ASC Topic 606). Our opinion is not modified with respect to this matter.

*Abbott, Stringham & Lynch*

January 26, 2021

**COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW,  
LOS ALTOS, AND LOS ALTOS HILLS**

**STATEMENTS OF FINANCIAL POSITION**

**Assets**

	June 30,	
	2020	2019
Current assets:		
Cash and cash equivalents	\$ 2,067,058	\$ 565,492
Grants and contributions receivable	1,463,173	642,620
Inventory	142,611	110,261
Investments	348,921	260,000
Prepaid expenses	57,866	48,835
Total current assets	4,079,629	1,627,208
Grants and contributions receivable, long term	-	75,000
Long term investments	5,627,670	5,308,559
Property and equipment, net of accumulated depreciation and amortization	376,988	450,238
Deposits	27,645	20,370
	<b>\$ 10,111,932</b>	<b>\$ 7,481,375</b>

**Liabilities and Net Assets**

Current liabilities:		
Accounts payable	\$ 60,938	\$ 46,342
Accrued expenses	265,042	351,278
Contract liability	206,157	152,274
Total current liabilities	532,137	549,894
Net assets:		
Without donor restrictions:		
Undesignated	3,667,516	1,097,590
Board designated reserves	3,581,592	3,363,588
Total net assets without donor restrictions	7,249,108	4,461,178
With donor restrictions	2,330,687	2,470,303
Total net assets	9,579,795	6,931,481
	<b>\$ 10,111,932</b>	<b>\$ 7,481,375</b>

**COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW,  
LOS ALTOS, AND LOS ALTOS HILLS**

**STATEMENTS OF ACTIVITIES**

	Year Ended June 30,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support:						
Contributions and bequests	\$ 3,968,276	\$ 366,178	\$ 4,334,454	\$ 1,510,738	\$ 502,450	\$ 2,013,188
Government grants	2,703,742	-	2,703,742	999,283	-	999,283
Contributions from United Way	138,000	-	138,000	50,365	-	50,365
Special events, net of direct benefits to donors of \$9,468 and \$11,200	47,012	-	47,012	86,886	-	86,886
In-kind contributions	1,232,517	-	1,232,517	1,396,544	51,931	1,448,475
Total support	8,089,547	366,178	8,455,725	4,043,816	554,381	4,598,197
Revenues:						
Net investment income	408,797	-	408,797	359,202	-	359,202
Miscellaneous income	20,632	-	20,632	25,376	-	25,376
Total revenues:	429,429	-	429,429	384,578	-	384,578
Reclassification of donor funds	-	-	-	(233,422)	-	(233,422)
Net assets released from donor restriction	505,794	(505,794)	-	878,503	(878,503)	-
Total support and revenues	9,024,770	(139,616)	8,885,154	5,073,475	(324,122)	4,749,353
Expenses:						
Program services:						
Emergency Assistance	3,748,700	-	3,748,700	2,309,062	-	2,309,062
Senior Nutrition	556,195	-	556,195	553,570	-	553,570
Senior Case Management	605,432	-	605,432	653,923	-	653,923
Alpha Omega	350,877	-	350,877	346,545	-	346,545
Total program services	5,261,204	-	5,261,204	3,863,100	-	3,863,100
Supporting services:						
Management and general	625,286	-	625,286	481,363	-	481,363
Fundraising	350,350	-	350,350	322,344	-	322,344
Total supporting services	975,636	-	975,636	803,707	-	803,707
Total functional expenses	6,236,840	-	6,236,840	4,666,807	-	4,666,807
Change in net assets	2,787,930	(139,616)	2,648,314	406,668	(324,122)	82,546
Net assets, beginning of year	4,461,178	2,470,303	6,931,481	4,054,510	2,794,425	6,848,935
Net assets, end of year	<u>\$ 7,249,108</u>	<u>\$ 2,330,687</u>	<u>\$ 9,579,795</u>	<u>\$ 4,461,178</u>	<u>\$ 2,470,303</u>	<u>\$ 6,931,481</u>

See accompanying independent auditor's report and notes to financial statements.

**COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW,  
LOS ALTOS, AND LOS ALTOS HILLS**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2020

	Program Services				Supporting Services				Total
	Emergency Assistance	Senior Nutrition	Senior Case Management	Alpha Omega	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 519,551	\$ 168,871	\$ 377,909	\$ 155,176	\$ 1,221,507	\$ 364,389	\$ 191,138	\$ 555,527	\$ 1,777,034
Employee benefits	76,259	45,614	63,133	26,683	211,689	106,359	65,376	171,735	383,424
Payroll taxes	46,332	14,575	32,736	13,358	107,001	16,165	16,156	32,321	139,322
<b>Total salaries and related expenses</b>	<b>642,142</b>	<b>229,060</b>	<b>473,778</b>	<b>195,217</b>	<b>1,540,197</b>	<b>486,913</b>	<b>272,670</b>	<b>759,583</b>	<b>2,299,780</b>
Program assistance	2,845,160	252,253	30,643	87,812	3,215,868	-	-	-	3,215,868
Professional fees	37,213	5,938	16,205	30,400	89,756	38,492	17,953	56,445	146,201
Office operations and support	91,414	14,481	16,091	5,560	127,546	10,897	13,202	24,099	151,645
Occupancy	26,865	14,127	18,442	9,978	69,412	12,232	6,568	18,800	88,212
Insurance	20,498	16,892	8,831	3,971	50,192	21,200	7,104	28,304	78,496
Depreciation	23,521	11,257	17,800	8,873	61,451	9,707	6,092	15,799	77,250
Repair and maintenance	21,268	7,714	12,275	6,088	47,345	8,219	4,174	12,393	59,738
Equipment rental	13,044	2,747	4,343	2,165	22,299	2,960	1,487	4,447	26,746
Training and conferences	3,057	-	1,658	-	4,715	2,576	17,858	20,434	25,149
Bank fees	-	-	-	-	-	12,000	7,538	19,538	19,538
Taxes and licenses	15,298	43	507	144	15,992	1,396	23	1,419	17,411
Marketing and advertising	3,184	-	308	-	3,492	6,706	2,370	9,076	12,568
Staff and volunteer recognition	855	-	101	52	1,008	7,962	1,810	9,772	10,780
Auto and travel	5,115	113	4,432	617	10,277	317	-	317	10,594
Dues and subscriptions	66	30	18	-	114	2,742	969	3,711	3,825
Miscellaneous	-	1,540	-	-	1,540	967	-	967	2,507
<b>Total expenses</b>	<b>3,748,700</b>	<b>556,195</b>	<b>605,432</b>	<b>350,877</b>	<b>5,261,204</b>	<b>625,286</b>	<b>359,818</b>	<b>985,104</b>	<b>6,246,308</b>
Less direct special event costs	-	-	-	-	-	-	(9,468)	(9,468)	(9,468)
<b>Total functional expenses</b>	<b>\$ 3,748,700</b>	<b>\$ 556,195</b>	<b>\$ 605,432</b>	<b>\$ 350,877</b>	<b>\$ 5,261,204</b>	<b>\$ 625,286</b>	<b>\$ 350,350</b>	<b>\$ 975,636</b>	<b>\$ 6,236,840</b>

84%                      10%                      6%                      16%

See accompanying independent auditor's report and notes to financial statements.

**COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW,  
LOS ALTOS, AND LOS ALTOS HILLS**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2019

	Program Services				Total Program Services	Supporting Services			Total
	Emergency Assistance	Senior Nutrition	Senior Case Management	Alpha Omega		Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 477,389	\$ 165,318	\$ 432,347	\$ 158,407	\$ 1,233,461	\$ 242,608	\$ 178,251	\$ 420,859	\$ 1,654,320
Employee benefits	73,905	44,371	79,787	23,538	221,601	85,285	60,013	145,298	366,899
Payroll taxes	33,565	11,704	30,976	11,405	87,650	24,274	12,764	37,038	124,688
<b>Total salaries and related expenses</b>	<b>584,859</b>	<b>221,393</b>	<b>543,110</b>	<b>193,350</b>	<b>1,542,712</b>	<b>352,167</b>	<b>251,028</b>	<b>603,195</b>	<b>2,145,907</b>
Program assistance	1,489,861	246,384	30,234	97,839	1,864,318	-	-	-	1,864,318
Professional fees	45,739	4,928	11,011	20,740	82,418	41,550	19,595	61,145	143,563
Office operations and support	83,647	31,861	7,243	6,703	129,454	9,947	12,015	21,962	151,416
Occupancy	24,508	13,444	18,082	9,552	65,586	11,975	5,982	17,957	83,543
Insurance	11,402	13,554	6,688	2,888	34,532	22,843	5,861	28,704	63,236
Depreciation	19,345	9,258	14,639	7,298	50,540	9,803	5,011	14,814	65,354
Repair and maintenance	16,054	5,308	8,345	4,182	33,889	5,559	2,841	8,400	42,289
Equipment rental	13,212	2,773	4,385	2,186	22,556	2,936	1,501	4,437	26,993
Auto and travel	7,478	151	5,597	1,208	14,434	176	-	176	14,610
Training and conferences	4,273	35	604	100	5,012	549	19,425	19,974	24,986
Bank fees	-	-	-	-	-	1,678	7,821	9,499	9,499
Taxes and licenses	3,842	-	1,647	321	5,810	2,145	-	2,145	7,955
Marketing and advertising	709	-	9	26	744	7,104	301	7,405	8,149
Staff and volunteer recognition	735	19	404	152	1,310	9,951	1,121	11,072	12,382
Dues and subscriptions	342	30	3	-	375	2,018	1,042	3,060	3,435
Miscellaneous	3,056	4,432	1,922	-	9,410	962	-	962	10,372
<b>Total expenses</b>	<b>2,309,062</b>	<b>553,570</b>	<b>653,923</b>	<b>346,545</b>	<b>3,863,100</b>	<b>481,363</b>	<b>333,544</b>	<b>814,907</b>	<b>4,678,007</b>
Less direct special event costs	-	-	-	-	-	-	(11,200)	(11,200)	(11,200)
<b>Total functional expenses</b>	<b>\$ 2,309,062</b>	<b>\$ 553,570</b>	<b>\$ 653,923</b>	<b>\$ 346,545</b>	<b>\$ 3,863,100</b>	<b>\$ 481,363</b>	<b>\$ 322,344</b>	<b>\$ 803,707</b>	<b>\$ 4,666,807</b>
					83%	10%	7%	17%	

See accompanying independent auditor's report and notes to financial statements.

**COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW,  
LOS ALTOS, AND LOS ALTOS HILLS**

**STATEMENTS OF CASH FLOWS**

Increase (Decrease) in Cash and Cash Equivalents

	Year Ended June 30,	
	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 2,648,314	\$ 82,546
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	77,250	65,354
Net unrealized and realized gain on investments	(344,118)	(308,820)
In-kind donations of property and equipment	-	(46,080)
Changes in assets and liabilities:		
Grants and contributions receivable	(745,553)	46,095
Inventory	(32,350)	82,715
Prepaid expenses	(9,031)	(19,394)
Deposits	(7,275)	(13,790)
Accounts payable	14,596	(19,048)
Accrued expenses	(86,236)	234,518
Contract liability	53,883	(3,548)
	1,569,480	100,548
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchases of property and equipment	(4,000)	(20,549)
Reinvestment of interest and dividends, net of fees	(64,679)	(58,764)
Proceeds from sales of investments	2,156,205	1,017,805
Purchases of investments	(2,155,440)	(1,009,423)
	(67,914)	(70,931)
Net cash used in investing activities		
Net increase in cash and cash equivalents	1,501,566	29,617
Cash and cash equivalents, beginning of year	565,492	535,875
Cash and cash equivalents, end of year	\$ 2,067,058	\$ 565,492
Noncash investing and financing activities:		
In-kind donations of property and equipment	\$ -	\$ 46,080



# COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW, LOS ALTOS, AND LOS ALTOS HILLS

## Notes to Financial Statements

June 30, 2020 and 2019

### Note 1 - Nature of operations

Community Services Agency of Mountain View, Los Altos, and Los Altos Hills (the "Organization") is a California nonprofit public benefit corporation, which has provided a variety of vital services to the residents of Mountain View, Los Altos, and Los Altos Hills since 1957. The Organization solicits donations from a network of sources, including local businesses and grocers, foundations, churches, individuals, and government agencies. The Organization provides the following four major programs:

1. *Emergency Assistance* – The Organization's Emergency Assistance program offers food, access to medical care, and financial support to families and individuals in crisis in order to provide immediate needs. The Organization provides this assistance with its own Food and Nutrition Center, through in-kind donations of school supplies, gift cards, and holiday toys, and with the help of partnering medical care providers in the local community.
2. *Senior Nutrition* – The Organization provides subsidized hot lunches to individuals over age 60 at a local senior center, and provides education and classes promoting nutrition and a healthy lifestyle.
3. *Senior Case Management* – The Organization's caseworkers are trained in geriatric care to assist low-income seniors with access to medical and mental health care, counseling, in-home needs assessments, and community resource referrals.
4. *Alpha Omega* – The Organization partners with other county service providers to reach and assist homeless individuals and families, with the goal of helping to meet immediate needs and to assist in transition to permanent housing.

### Note 2 - Summary of significant accounting policies

#### Basis of accounting

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

#### Financial statement presentation

Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

*Without donor restrictions* - net assets that are not subject to donor-imposed restrictions. Includes the operating fund (undesignated) and board designated reserves. 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.

*With donor restrictions* - net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. 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.

# COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW, LOS ALTOS, AND LOS ALTOS HILLS

## Notes to Financial Statements

June 30, 2020 and 2019

### **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 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. Significant estimates used in preparing these financial statements include the allowance for doubtful accounts, useful lives of property and equipment, value of donated property and equipment and inventory, and functional expense allocations. Actual results could differ from those estimates.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on deposit and investments with financial institutions with an original maturity of three months or less at the time of purchase.

#### **Grants and contributions receivable**

Grants receivable consist of accounts billed to local governmental agencies for services provided under the grant reimbursement agreements, as well as grant contributions received but not yet funded at year end.

Contributions are recognized as receivables when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give that are expected to be collected in future years are recognized at fair value based on discounted cash flows. The discount on these amounts is computed using the rate applicable in the year the promises were received. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the original contribution. There were no unconditional promises expected to be received in future years at June 30, 2020. The discount was determined by management to be insignificant and therefore was not recorded at June 30, 2019. Conditional contributions are recorded as support in the period the condition is met. As of June 30, 2020, the Organization had not recognized \$89,250 related to one conditional matching grant in which not all of the conditions had been met. There were no conditional grants with unrecognized amounts at June 30, 2019.

The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Management has determined that no allowance for doubtful accounts is necessary as of June 30, 2020 and 2019.

#### **Fair value measurements**

The Organization has adopted fair value accounting guidance for all applicable assets and liabilities to define fair value, establish a framework for measuring fair value, and enhance fair value measurement disclosure.

#### **Inventory**

Inventory consists of food, toys, school supplies and gift cards, the majority of which is donated to the Organization. The inventory is stated at the cost of the items purchased or at an estimated fair value at the time of donation.

**COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW,  
LOS ALTOS, AND LOS ALTOS HILLS**

**Notes to Financial Statements**

June 30, 2020 and 2019

**Note 2 - Summary of significant accounting policies (continued)**

**Property, equipment, depreciation and amortization**

The Organization capitalizes property and equipment acquisitions over \$5,000. Purchased property and equipment are stated at cost less accumulated depreciation. Donated property and equipment are recorded at their estimated fair value at the time of the donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset ranging from three to thirty years. Leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

**Impairment of long-lived assets**

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. No asset impairment was recognized during the years ended June 30, 2020 and 2019.

**Investments**

Investments in marketable securities with readily determinable fair value are reported at their fair value. Realized and unrealized gain and losses are reflected as an increase or decrease in net assets without donor restrictions unless their use has been restricted by the donor.

**In-kind support and services**

Donated property and equipment and other tangible goods are recorded at their estimated fair market value as of the date of the donation. Contributed professional services are recognized if the services received a) create or enhance long-lived assets or b) require specialized skills, are provided by individual possessing those skills, and would typically need to be purchased if not provided by donation, and are recorded at the estimated fair market value at the time the services are rendered. 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 assets, over the period benefited. The Organization may also receive donated volunteer services that do not require specific expertise, but are nonetheless central to the Organization's operations. These contributed volunteer services are not reflected in the financial statements.

# COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW, LOS ALTOS, AND LOS ALTOS HILLS

## Notes to Financial Statements

June 30, 2020 and 2019

### **Note 2 - Summary of significant accounting policies (continued)**

#### **Revenue recognition - contract with customers**

On July 1, 2019, the Organization adopted ASC 606, Revenue from Contracts with Customers (ASC 606) and all the related amendments using the modified retrospective method, whereby the adoption did not impact any prior periods. The effect of adopting the new standard did not require any cumulative effect adjustment to net assets as of July 1, 2019.

#### *Grant revenue*

The Organization reports grant revenue at the amounts that reflect the consideration to which the Organization expects to be entitled in exchange for services provided. These amounts are due from third-party payers, with the majority of the grant revenue coming from local governmental agencies in which the residents receiving the services reside. The grant revenue is recognized when invoices are issued for reimbursement of costs incurred during the period the services are performed. The transaction prices for the services provided are dependent upon the terms provided by or negotiated with the third-party payers.

The Organization determines performance obligations based on the nature of the services the Organization provides and recognizes revenues for performance obligations satisfied at a point in time based on the actual services provided. The Organization believes that this method provides a faithful depiction of the transfer of services based on the inputs needed to satisfy the obligations.

All program services are delivered to the residents of Mountain View, Los Altos and Los Altos Hills. All of these revenue streams are short-term in nature and do not have any significant financing components as payments are generally received shortly after the services are provided.

#### *Contract liabilities*

Contract liabilities represents amount received in advance from government grants for which the services have not yet been performed.

#### **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). Accordingly, no provision for income taxes or related credits is included in these financial statements.

The Organization has adopted the accounting standard related to uncertainties in income taxes. 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; therefore, no liability for unrecognized income tax benefits has been recorded as of June 30, 2020 and 2019. The Organization is subject to examination by a major tax jurisdiction back to 2015.

# COMMUNITY SERVICES AGENCY OF MOUNTAIN VIEW, LOS ALTOS, AND LOS ALTOS HILLS

## Notes to Financial Statements

June 30, 2020 and 2019

### Note 2 - Summary of significant accounting policies (continued)

#### Functional allocation of expenses

The costs of providing various program services and general and administrative expenses have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to the related program or supporting services benefited. Accordingly, certain costs have been allocated among program services and supporting services benefited based on the headcount of employees in each department. General and administrative 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.

#### Advertising

Costs associated with advertising are expensed when incurred. Advertising expenses were \$12,568 and \$8,149 for the years ended June 30, 2020 and 2019, respectively.

#### New accounting pronouncements not yet adopted

In 2016 and through subsequent amendments, the FASB issued new accounting guidance for reporting leases, which requires an entity that is a lessee to classify leases as either finance or operating and to recognize a lease liability and a right-of-use asset for all leases that have a term of greater than 12 months. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases. The new standard will be effective for annual reporting periods beginning with July 2022 with early adoption permitted, and must be applied using a modified retrospective approach. The Organization is currently evaluating the impact of adopting this standard on its financial statements and does not expect to adopt the new guidance earlier than required.

In 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the year beginning July 1, 2023. The Organization is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

In 2020, the FASB issued accounting guidance focused on the presentation and disclosure requirements for contributed nonfinancial assets. The new guidance is effective for the Organization's year beginning July 2021. The new standard requires the entity to present contributed nonfinancial assets, such as property and equipment, food, supplies and intangible assets, as a separate line item on the statement of activities. In addition, the standard also requires enhanced disclosures including qualitative information about whether or not the contributed nonfinancial assets were utilized in a program or monetized; policies for monetizing those assets; descriptions of donor restrictions; and enhanced disclosure regarding the fair value techniques. Early adoption is permitted and the standard is to be applied retrospectively. The Organization is currently evaluating the impact of adopting this standard on its financial statements and does not expect to adopt the new guidance earlier than required.

#### Subsequent events

In preparing its financial statements, the Organization has evaluated subsequent events through January 26, 2021, which is the date the financial statements were available to be issued.

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**Note 3 - Liquidity and availability of resources**

The following table reflects the Organization's financial assets as of June 30, 2020 and 2019, reduced by amounts not available for general expenditure within one year from this date. Financial assets are considered to be unavailable when illiquid or not readily convertible to cash within one year.

Financial assets available to meet cash needs for general expenditures within one year as of June 30, 2020 and 2019 are as follows:

	June 30,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 2,067,058	\$ 565,492
Investments	5,976,591	5,568,559
Grants and contributions receivable	1,463,173	717,620
Financial assets	9,506,822	6,851,671
Less:		
Accounts payable and accrued expenses	(325,980)	(397,620)
Grants and contributions receivable, long term	-	(75,000)
Donor restricted bequest held in long term investments	(1,926,514)	(1,939,538)
	(2,252,494)	(2,412,158)
Total financial assets available within one year	7,254,328	4,439,513
Liquidity resources:		
Amounts unavailable to management without Board approval (Note 8)	(3,581,592)	(3,363,588)
Total financial assets and liquidity resources available within one year	\$ 3,672,736	\$ 1,075,925

During the fiscal year ended June 30, 2018, the Organization received a \$2,000,000 bequest to support the senior case management program. Management has elected to invest the original gift amount with the strategy of long-term growth using the funds to support the senior case management over 20 years.

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**Note 4 - Investments**

The Organization holds three separate investment accounts at a brokerage firm. The investments are recorded at fair value and are invested in mutual funds, exchange traded funds, and certificates of deposit. The underlying investments include domestic and foreign securities primarily focusing on financial services, technology, industrial, and real estate sectors.

The table below summarizes restrictions and designations of investments:

	June 30,			
	2020		2019	
	Short term	Long term	Short term	Long term
Investments - undesignated	\$ 288,921	\$ 179,564	\$ 200,000	\$ 65,433
Investments - donor restricted	60,000	1,866,514	60,000	1,879,538
Investments - Board designated	-	3,581,592	-	3,363,588
	\$ 348,921	\$ 5,627,670	\$ 260,000	\$ 5,308,559

Net investment income during the year ended June 30, 2020 and 2019 consisted of the following:

	June 30,	
	2020	2019
Interest and dividends	\$ 89,536	\$ 74,066
Net realized and unrealized gains	344,118	308,820
Investment management fees	(24,857)	(23,684)
	\$ 408,797	\$ 359,202

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**Note 5 - Fair value measurements**

The Organization adopted fair value accounting for all applicable assets and liabilities. This guidance clarifies that fair value is 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 should be determined based on assumptions that market participants would use in pricing an asset or a liability. The fair value hierarchy requires the Organization to use observable inputs and minimize the use of unobservable inputs when measuring fair value. As a basis for considering such assumptions, the standards establish a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Other inputs that are directly or indirectly observable in the marketplace. Included in this category are certificates of deposit that are valued at amortized cost, which approximates fair value.
- Level 3: Unobservable inputs which are supported by little or no market activity.

The following are the major categories of assets measured at fair value on a recurring basis:

	Assets at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Money market fund	\$ 348,439	\$ -	\$ -	\$ 348,439
Stock funds	2,245,282	-	-	2,245,282
Bond funds	2,196,603	-	-	2,196,603
Total mutual funds	4,790,324	-	-	4,790,324
Equity exchange traded funds	346,542	-	-	346,542
Certificates of deposit	-	839,725	-	839,725
Total investments at fair value	\$ 5,136,866	\$ 839,725	\$ -	\$ 5,976,591

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Money market fund	\$ 375,327	\$ -	\$ -	\$ 375,327
Stock funds	2,213,659	-	-	2,213,659
Bond funds	1,958,121	-	-	1,958,121
Total mutual funds	4,547,107	-	-	4,547,107
Equity exchange traded funds	104,039	-	-	104,039
Certificates of deposit	-	917,413	-	917,413
Total investments at fair value	\$ 4,651,146	\$ 917,413	\$ -	\$ 5,568,559

The carrying amounts of the Organization's other assets and liabilities on its statements of financial position approximates fair value because of their short maturities.



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**Note 6 - Property and equipment**

Property and equipment consisted of the following:

	June 30,	
	2020	2019
Land	\$ 80,000	\$ 80,000
Buildings	1,301,715	1,285,665
Furniture and equipment	80,880	80,880
Vehicles	114,520	114,520
Computer equipment and software	143,512	143,512
Construction in progress	-	12,050
	1,720,627	1,716,627
Less accumulated depreciation and amortization	(1,343,639)	(1,266,389)
	\$ 376,988	\$ 450,238

Depreciation and amortization expense for the years ended June 30, 2020 and 2019 was \$77,250 and \$65,354, respectively.

**Note 7 - Accrued expenses**

Accrued expenses consisted of the following:

	June 30,	
	2020	2019
Accrued vacation	\$ 100,835	\$ 84,152
Accrued payroll and related taxes	60,891	40,468
Unused grant funds	97,322	224,568
Other accrued expenses	5,994	2,090
	\$ 265,042	\$ 351,278
	\$ 265,042	\$ 351,278

**Note 8 - Board designated net assets**

The Board designated reserves consisted of the following:

	June 30,	
	2020	2019
Operating reserve	\$ 2,236,009	\$ 2,257,902
Capital reserve	510,446	433,196
Investments designated for programs	835,137	672,490
	\$ 3,581,592	\$ 3,363,588
	\$ 3,581,592	\$ 3,363,588

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**Note 8 - Board designated net assets (continued)**

The operating reserve is calculated based on six months of the annual operating budget, excluding any one-time expenditures, plus projected cash flow needs and any budgeted deficit for the new year's budget. The reserve is established to sustain operations for a set period of time in the case of any unanticipated decline in available funds. The capital reserve is calculated based off each year's budgeted depreciation expense and is established to replace specific capital items. The board designated investments are to be used to support the Organization's programs with the main focus on services provided to seniors.

**Note 9 - Net assets with donor restrictions**

Net assets with donor restrictions consist of the following:

	June 30,	
	2020	2019
Contributions designated for specific programs:		
Senior case management	\$ 1,926,514	\$ 1,939,538
Emergency and rental assistance	51,173	-
Holiday sharing	-	20,230
Food and nutrition program	-	8,085
	1,977,687	1,967,853
Contributions with timing restrictions	75,000	150,000
Contributions designated for specific programs and with timing restrictions:		
Senior case management	210,000	195,000
Emergency assistance	68,000	157,450
	278,000	352,450
	\$ 2,330,687	\$ 2,470,303

Net assets released from donor restrictions by incurring expenses satisfying donor restricted purposes or by the passage of time are as follows:

	Year Ended June 30,	
	2020	2019
Passage of time	\$ 75,000	\$ 150,000
Purpose restrictions fulfilled	430,794	728,503
	\$ 505,794	\$ 878,503

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**Note 10 - In-kind contributions**

In-kind contributions are recorded in the financial statements at the estimated fair market value. The in-kind contributions consisted of the following:

	Year Ended June 30,	
	2020	2019
Donated food, toys, school supplies and gift cards	\$ 1,075,017	\$ 1,244,895
Contributed rent	157,500	157,500
Donated property and equipment	-	46,080
	\$ 1,232,517	\$ 1,448,475

**Note 11 - Operating leases**

The Organization has various leases for office equipment expiring through December 2024. The payments for the leases range from \$183 to \$928 per month. The total lease expense for the years ended June 30, 2020 and 2019 amounted to \$26,746 and \$19,262, respectively. The future minimum lease commitments are as follows:

Years Ending June 30,	
2021	\$ 12,339
2022	12,250
2023	12,250
2024	2,191
2025	1,096
	\$ 40,126

**Note 12 - Retirement plans**

The Organization maintains two defined contribution plans with one plan allowing employer contributions only and the other allowing employee contributions only. Both Plans operate under Internal Revenue Code Section 403(b). All eligible employees can defer a percentage of their gross salary into the employee contribution only plan, not to exceed the annual IRS limit. The employer participatory plan requires the Organization to contribute 7% of participants' compensation per year. Participants fully vest upon the earlier of three years of employment, attainment of age 55, permanent disability or death. During the years ended June 30, 2020 and 2019, the Organization made contributions of \$64,358 and \$66,553, respectively.

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**Note 13 - Concentrations and contingencies**

**Concentrations**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and grants and contributions receivable.

The Organization maintains its cash accounts with credit-worthy financial institutions. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the level insured by the Federal Deposit Insurance Corporation. As of June 30, 2020, the Organization has not experienced any losses on such accounts. Management believes it is not exposed to any significant risk on cash accounts.

During the year ended June 30, 2020, the Organization generated approximately 33% of its total contributions revenue from five donors and approximately 64% of its grant revenue from one granting agency. Receivables from the donors and the granting agency amounted to approximately 20% and 67%, respectively, of total grants and contributions receivable at June 30, 2020.

During the year ended June 30, 2019, the Organization generated approximately 17% of its total contribution revenue from one donor and approximately 32% of its total grant revenue from one granting agency. Receivables from the donor and the granting agency amounted to approximately 44% and 9%, respectively, of total grants and contributions receivable at June 30, 2019.

**Contingencies**

Conditions and restrictions contained within various contracts, grants, and donations awarded to the Organization are subject to the funding agencies' criteria and regulations and donors restrictions under which expenditures may be charged against, and are subject to audit under such regulations, criteria, and restrictions. Occasionally, funders may determine that certain costs incurred against the grants may not comply with the established criteria that govern them, or the Organization may not be able to spend all the funds for the intended purpose in the specified period. 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.

The Organization is self-insured for unemployment insurance. Management believes that the current unemployment insurance reserve is sufficient and the future claims will not exceed the existing reserve amount.

**Note 14 - Risks and uncertainties**

The Organization depends on contributions and grants for a significant portion of its revenue. The ability of certain of the Organization's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future economic conditions. While the Board of Directors believes the Organization has the resources to continue current and future programs, its ability to do so, and the extent to which it does continue, may be dependent on the above factors.

The Organization holds investments in various investment vehicles 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.

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**Note 14 - Risks and uncertainties (continued)**

As of January 2021, domestic and international economies face uncertainty related to the impact of the COVID-19 pandemic. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's funders, partners, and employees, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

**Note 15 - Reclassifications**

Certain reclassifications have been made to the June 30, 2019 financial statements to conform to the June 30, 2020 financial statements presentation.