

**HELPLINE YOUTH COUNSELING, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

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



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**HELPLINE YOUTH COUNSELING, INC.  
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YEARS ENDED JUNE 30, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Helpline Youth Counseling, Inc.  
Whittier, California

We have audited the accompanying financial statements of Helpline Youth Counseling, Inc. (a California nonprofit corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 audits 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 Helpline Youth Counseling, Inc. 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—Change in Accounting Principle**

As discussed in Note 2 to the financial statements, Helpline Youth Counseling, Inc. adopted Accounting Standards Update (ASU) No. 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 958). Our opinion is not modified with respect to the matter.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 on our consideration of Helpline Youth Counseling, 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 Helpline Youth Counseling, 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 Helpline Youth Counseling, Inc.'s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Pasadena, California  
December 16, 2020

**HELPLINE YOUTH COUNSELING, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

|                                      | 2020         | 2019         |
|--------------------------------------|--------------|--------------|
| <b>ASSETS</b>                        |              |              |
| <b>CURRENT ASSETS</b>                |              |              |
| Cash and Cash Equivalents            | \$ 2,047,991 | \$ 628,162   |
| Contributions Receivable             | 900,771      | 1,289,745    |
| Prepaid Expenses and Other Assets    | 104,211      | 32,965       |
| Total Current Assets                 | 3,052,973    | 1,950,872    |
| <b>NONCURRENT ASSETS</b>             |              |              |
| Property and Equipment, Net          | 79,059       | 112,480      |
| Deposits                             | 11,302       | 11,302       |
| Total Noncurrent Assets              | 90,361       | 123,782      |
| Total Assets                         | \$ 3,143,334 | \$ 2,074,654 |
| <b>LIABILITIES AND NET ASSETS</b>    |              |              |
| <b>CURRENT LIABILITIES</b>           |              |              |
| Accounts Payable                     | \$ 65,467    | \$ 70,108    |
| Accrued Expenses                     | 483,351      | 443,282      |
| Contract Advances and Deposits       | 13,640       | 118,976      |
| Total Current Liabilities            | 562,458      | 632,366      |
| <b>NONCURRENT LIABILITIES</b>        |              |              |
| PPP Loan                             | 1,024,075    | -            |
| Total Liabilities                    | 1,586,533    | 632,366      |
| <b>COMMITMENTS AND CONTINGENCIES</b> |              |              |
| <b>NET ASSETS</b>                    |              |              |
| Without Donor Restrictions           |              |              |
| Undesignated                         | 863,741      | 773,089      |
| Board-Designated Operating Reserve   | 181,235      | 162,763      |
| Total                                | 1,044,976    | 935,852      |
| With Donor Restrictions              | 511,825      | 506,436      |
| Total Net Assets                     | 1,556,801    | 1,442,288    |
| Total Liabilities and Net Assets     | \$ 3,143,334 | \$ 2,074,654 |

See accompanying Notes to Financial Statements.

**HELPLINE YOUTH COUNSELING, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2020**

|                                      | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
|--------------------------------------|---------------------------------------|------------------------------------|---------------------|
| <b>SUPPORT AND REVENUE</b>           |                                       |                                    |                     |
| Governmental Contributions           | \$ 6,501,021                          | \$ -                               | \$ 6,501,021        |
| Grants and Contributions             | 282,412                               | 339,124                            | 621,536             |
| Management Fees                      | 276,000                               | -                                  | 276,000             |
| Client Fees                          | 37,422                                | -                                  | 37,422              |
| Fundraising Events, Net              | 23,784                                | -                                  | 23,784              |
| In-Kind Contributions                | 14,870                                | -                                  | 14,870              |
| Interest Income                      | 1,421                                 | -                                  | 1,421               |
| Miscellaneous                        | 368                                   | -                                  | 368                 |
| Net Assets Released from Restriction | 333,735                               | (333,735)                          | -                   |
| Total Support and Revenue            | <u>7,471,033</u>                      | <u>5,389</u>                       | <u>7,476,422</u>    |
| <b>EXPENSES</b>                      |                                       |                                    |                     |
| Program Services                     | 6,118,722                             | -                                  | 6,118,722           |
| Support Services                     | 969,961                               | -                                  | 969,961             |
| Fundraising and Donations            | 273,226                               | -                                  | 273,226             |
| Total Expenses                       | <u>7,361,909</u>                      | <u>-</u>                           | <u>7,361,909</u>    |
| <b>CHANGE IN NET ASSETS</b>          | 109,124                               | 5,389                              | 114,513             |
| Net Assets - Beginning of Year       | <u>935,852</u>                        | <u>506,436</u>                     | <u>1,442,288</u>    |
| <b>NET ASSETS - END OF YEAR</b>      | <u>\$ 1,044,976</u>                   | <u>\$ 511,825</u>                  | <u>\$ 1,556,801</u> |

See accompanying Notes to Financial Statements.

**HELPLINE YOUTH COUNSELING, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2019**

|                                      | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
|--------------------------------------|---------------------------------------|------------------------------------|---------------------|
| <b>SUPPORT AND REVENUE</b>           |                                       |                                    |                     |
| Governmental Contributions           | \$ 5,804,120                          | \$ -                               | \$ 5,804,120        |
| Grants and Contributions             | 64,176                                | 600,900                            | 665,076             |
| Management Fees                      | 276,000                               | -                                  | 276,000             |
| Client Fees                          | 60,949                                | -                                  | 60,949              |
| Fundraising Events, Net              | 24,050                                | -                                  | 24,050              |
| Interest Income                      | 528                                   | -                                  | 528                 |
| Miscellaneous                        | 529                                   | -                                  | 529                 |
| Net Assets Released from Restriction | 423,197                               | (423,197)                          | -                   |
| Total Support and Revenue            | <u>6,653,549</u>                      | <u>177,703</u>                     | <u>6,831,252</u>    |
| <b>EXPENSES</b>                      |                                       |                                    |                     |
| Program Services                     | 5,655,759                             | -                                  | 5,655,759           |
| Support Services                     | 775,465                               | -                                  | 775,465             |
| Fundraising and Donations            | 211,687                               | -                                  | 211,687             |
| Total Expenses                       | <u>6,642,911</u>                      | <u>-</u>                           | <u>6,642,911</u>    |
| <b>CHANGE IN NET ASSETS</b>          | 10,638                                | 177,703                            | 188,341             |
| Net Assets - Beginning of Year       | <u>925,214</u>                        | <u>328,733</u>                     | <u>1,253,947</u>    |
| <b>NET ASSETS - END OF YEAR</b>      | <u>\$ 935,852</u>                     | <u>\$ 506,436</u>                  | <u>\$ 1,442,288</u> |

See accompanying Notes to Financial Statements.

**HELPLINE YOUTH COUNSELING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020**

|  | <u>Program<br/>Services</u> | <u>Support<br/>Services</u> | <u>Fundraising</u>       | <u>Total</u>               |
|--|-----------------------------|-----------------------------|--------------------------|----------------------------|
| Salaries and Other Related Expenses:         |                             |                             |                          |                            |
| Salaries                                     | \$ 4,345,306                | \$ 666,708                  | \$ 199,914               | \$ 5,211,928               |
| Payroll Taxes                                | 359,455                     | 55,248                      | 16,566                   | 431,269                    |
| Employee Benefits                            | <u>321,737</u>              | <u>49,451</u>               | <u>14,828</u>            | <u>386,016</u>             |
| Total Salaries and Other<br>Related Expenses | 5,026,498                   | 771,407                     | 231,308                  | 6,029,213                  |
| Other Expenses:                              |                             |                             |                          |                            |
| Audit and Accounting                         | 22,921                      | 3,523                       | 1,056                    | 27,500                     |
| Bank service charges                         | 4,710                       | 724                         | 217                      | 5,651                      |
| Consultant                                   | 168,776                     | 25,941                      | 7,778                    | 202,495                    |
| Employee mileage                             | 73,300                      | 11,266                      | 3,378                    | 87,944                     |
| Equipment and Furniture                      | 36,961                      | 5,681                       | 1,703                    | 44,345                     |
| Insurance expense                            | 46,470                      | 7,142                       | 2,142                    | 55,754                     |
| Office supplies                              | 35,179                      | 5,407                       | 1,621                    | 42,207                     |
| Other  | 12,016                      | 1,847                       | 555                      | 14,418                     |
| Postage                                      | 2,260                       | 347                         | 104                      | 2,711                      |
| Printing and recruitment                     | 7,738                       | 1,189                       | 357                      | 9,284                      |
| Program expenses                             | 248,791                     | 35,498                      | 3,046                    | 287,335                    |
| Rent   | 264,967                     | 40,725                      | 12,212                   | 317,904                    |
| Taxes and licenses                           | 4,982                       | 766                         | 230                      | 5,978                      |
| Telecommunications                           | 61,789                      | 9,497                       | 2,848                    | 74,134                     |
| Training & Conference                        | 16,452                      | 2,529                       | 758                      | 19,739                     |
| Utilities                                    | <u>84,912</u>               | <u>13,051</u>               | <u>3,913</u>             | <u>101,876</u>             |
| Total Other Expenses                         | <u>1,092,224</u>            | <u>165,133</u>              | <u>41,918</u>            | <u>1,299,275</u>           |
| Total Expenses Before Depreciation           | 6,118,722                   | 936,540                     | 273,226                  | 7,328,488                  |
| Depreciation                                 | <u>-</u>                    | <u>33,421</u>               | <u>-</u>                 | <u>33,421</u>              |
| Total Expenses                               | <u><u>\$ 6,118,722</u></u>  | <u><u>\$ 969,961</u></u>    | <u><u>\$ 273,226</u></u> | <u><u>\$ 7,361,909</u></u> |

See accompanying Notes to Financial Statements.



**HELPLINE YOUTH COUNSELING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**

|  | 2019                |                     |                   |                     |
|--|---------------------|---------------------|-------------------|---------------------|
|  | Program<br>Services | Support<br>Services | Fundraising       | Total               |
| Salaries and Other Related Expenses:         |                     |                     |                   |                     |
| Salaries                                     | \$ 3,864,839        | \$ 531,996          | \$ 149,982        | \$ 4,546,817        |
| Payroll Taxes                                | 338,209             | 46,554              | 13,125            | 397,888             |
| Employee Benefits                            | 281,163             | 38,702              | 10,911            | 330,776             |
| Total Salaries and Other<br>Related Expenses | 4,484,211           | 617,252             | 174,018           | 5,275,481           |
| Other Expenses:                              |                     |                     |                   |                     |
| Audit and Accounting                         | 11,354              | 1,563               | 441               | 13,358              |
| Bank Service Charges                         | 3,673               | 506                 | 143               | 4,322               |
| Consultant                                   | 213,809             | 29,431              | 8,297             | 251,537             |
| Employee Mileage                             | 80,791              | 11,121              | 3,135             | 95,047              |
| Equipment and Furniture                      | 49,981              | 6,880               | 1,940             | 58,801              |
| Insurance                                    | 42,993              | 5,918               | 1,668             | 50,579              |
| Interest                                     | -                   | 337                 | -                 | 337                 |
| Office Supplies                              | 52,602              | 7,241               | 2,041             | 61,884              |
| Other  | 11,023              | 1,517               | 428               | 12,968              |
| Postage                                      | 3,284               | 452                 | 127               | 3,863               |
| Printing and Recruitment                     | 6,516               | 897                 | 253               | 7,666               |
| Program                                      | 263,019             | 14,421              | 2,412             | 279,852             |
| Rent   | 250,258             | 34,448              | 9,712             | 294,418             |
| Taxes and Licenses                           | 4,986               | 686                 | 193               | 5,865               |
| Telecommunications                           | 47,150              | 6,490               | 1,830             | 55,470              |
| Training                                     | 32,812              | 4,517               | 1,273             | 38,602              |
| Utilities                                    | 97,297              | 13,398              | 3,776             | 114,471             |
| Total Other Expenses                         | 1,171,548           | 139,823             | 37,669            | 1,349,040           |
| Total Expenses Before Depreciation           | 5,655,759           | 757,075             | 211,687           | 6,624,521           |
| Depreciation                                 | -                   | 18,390              | -                 | 18,390              |
| Total Expenses                               | <u>\$ 5,655,759</u> | <u>\$ 775,465</u>   | <u>\$ 211,687</u> | <u>\$ 6,642,911</u> |

See accompanying Notes to Financial Statements.

**HELPLINE YOUTH COUNSELING, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2020 AND 2019**

|  | 2020         | 2019       |
|--|--------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |              |            |
| Change in Net Assets   | \$ 114,513   | \$ 188,341 |
| Adjustments to Reconcile Change in Net Assets to<br>Net Cash Provided by Operating Activities: |              |            |
| Depreciation   | 33,421       | 18,390     |
| Change in Assets:  |              |            |
| Accounts Receivable, Net   | -            | (92,302)   |
| Contributions Receivable   | 388,974      | (145,494)  |
| Prepaid Expenses and Other Assets  | (71,246)     | (4,347)    |
| Deposits   | -            | 19,078     |
| Change in Liabilities:   |              |            |
| Accounts Payable   | (4,641)      | (6,561)    |
| Accrued Expenses   | 40,069       | 39,170     |
| Contract Advances and Deposits   | (105,336)    | 94,786     |
| Net Cash Provided by Operating Activities  | 395,754      | 111,061    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |              |            |
| Purchase of Property and Equipment   | -            | (87,966)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |              |            |
| Proceeds from PPP Loan   | 1,024,075    | -          |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | 1,419,829    | 23,095     |
| Cash and Cash Equivalents - Beginning of Year  | 628,162      | 605,067    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>   | \$ 2,047,991 | \$ 628,162 |

See accompanying Notes to Financial Statements.

**HELPLINE YOUTH COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 ORGANIZATION**

Helpline Youth Counseling, Inc. (the Organization) is incorporated pursuant to the general nonprofit corporation laws of California and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and state income taxes under Section 23701d of the California Franchise Tax Board.

Helpline Youth Counseling, Inc. provides a comprehensive continuum of counseling, education, prevention, intervention, economic development, and community organizing programs to at-risk, low-income children, youth, and families with a focus on reducing child abuse and neglect, family and domestic violence, juvenile delinquency, substance abuse, and the onset of mental health issues while at the same time building protective factors within families and improving individual and family well-being. To achieve this purpose, the Organization works to improve or influence the effectiveness of (1) the family unit through intensive case management, youth and family counseling, group counseling, and supportive services including parent effectiveness training workshops, conflict resolution training, and assistance with accessing affordable healthcare; (2) community systems through counseling, education, and supportive services for at-risk youth in local elementary, middle, and high schools; (3) coping mechanisms through crisis intervention, substance abuse prevention and intervention programs, and therapy designed to address the trauma histories and issues of clients; (4) the juvenile justice system by taking referrals of delinquent and gang-involved youth from probation officers and law enforcement personnel and operating a combined academic and therapeutic day treatment program for high school age students who are on probation; and operating an Empowerment Program focused on positive youth development (5) the caring environment through community organizing and civic engagement activities, youth and adult life skills training, community education, health and wellness education, participatory recreation programs, and mentoring; (6) the social service systems for the protection of children and youth from neglect, abuse, and exploitation; and (7) the network of community human service agencies by providing information and referrals. The Organization's primary services are in Southeast Los Angeles County, East Los Angeles, Long Beach, and Norwalk, with its headquarters office in Unincorporated South Whittier. The Organization primarily operates under grant agreements from federal, state, county, and city agencies, as well as grants and contributions from foundations, corporations, and individuals.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting to conform to generally accepted accounting principles in the United States of America (GAAP) as applicable to nonprofit entities. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein have been classified and are reported as follows:

**HELPLINE YOUTH COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (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 has designated, from net assets without donor restrictions, net assets for an operating reserve.

*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. 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.

**Revenue Recognition**

Revenue is recognized when earned. Governmental contributions and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Property and Equipment**

Property and equipment are recorded at cost, or, if donated, at their fair market value at the date of donation. The Organization capitalizes property and equipment purchases of \$5,000 or more. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

|                        | <u>Useful Life</u> |
|------------------------|--------------------|
| Office Furniture       | 7 Years            |
| Office Equipment       | 3 to 7 Years       |
| Leasehold Improvements | 3 Years            |
| Vehicles               | 5 Years            |

**Donated Goods and Services**

Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received.

**HELPLINE YOUTH COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expense Allocations**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. The functional allocation of expenses shared between program, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and total direct expenses.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash in checking, savings and money market accounts.

**Promises to Give**

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible.

**Operating Reserve**

Operating reserves are cash with board designations. Funds are only to be withdrawn in the event of an emergency cash flow need that cannot be remedied with the agency's existing line of credit. Funds are to be withdrawn on a temporary basis and are to be replenished as soon as possible, not to exceed 90 days after the withdrawal.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**HELPLINE YOUTH COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentration of credit risk are cash and cash equivalents, investments, and receivables. A significant portion of the Organization's cash is held in various banks and, at times, exceeds the Federal Deposit Insurance Corporation statutory limits. The Organization's investments are comprised of treasury bills.

Contributions receivable at June 30, 2020 and 2019 are primarily due from governmental entities. As of June 30, 2020 and 2019, three governmental entities accounted for 46% and 38% of total contributions receivables. For the years ended June 30, 2020 and 2019, two entities accounted for 37% and 35% of total contributions, respectively.

**Subsequent Events**

Subsequent events have been evaluated through December 16, 2020, the date that these financial statements were available to be issued. There were no subsequent events that would require adjustments or disclosures in these financial statements.

**Risk and Uncertainties**

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic, which continues subsequent to year-end. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2021 operations and financial results including but not limited to declines in investments, declines in governmental contributions, additional bad debts or costs for increased use of technology. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**New Accounting Pronouncements Adopted During the Year**

The Organization has adopted Financial Accounting Standards Board (FASB) 2018-08, *Not-For-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The Organization has implemented ASU 2018-08 under the modified prospective approach. The impact on the Organization's financial statement was to reflect governmental grants as contributions instead of exchange transactions.

**HELPLINE YOUTH COUNSELING, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncements Effective in Future Accounting Periods**

Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. This update establishes the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. It is effective for fiscal years beginning after December 15, 2019. Management will be evaluating the effects of this new standard.

ASU 2016-02, *Leases (Topic 842)*. This update increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. It is effective for fiscal year beginning after December 15, 2021. Management will be evaluating the effects of this new standard.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

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, comprise the following:

|                                | 2020         | 2019         |
|--------------------------------|--------------|--------------|
| Cash and Cash Equivalents      | \$ 2,047,991 | \$ 628,162   |
| Contributions Receivable       | 900,771      | 1,289,745    |
| Total                          | 2,948,762    | 1,917,907    |
| Less: Donor Restricted Assets  | (511,825)    | (506,436)    |
| Total for General Expenditures | \$ 2,436,937 | \$ 1,411,471 |

As part of its liquidity management plan, the organization monitors cash flows required to meet operating needs on a monthly basis and structures financial assets to be available as general expenditures, liabilities, and other obligations come due. The Organization maintains a line of credit, further described in Note 6. As of June 30, 2020, the line of credit's balance was zero. Further, the Organization has board designated operating reserves, which can be used for general expenditures if necessary.

**HELPLINE YOUTH COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

Contributions receivable consists of the following at June 30, 2020 and 2019:

|                                       | <u>2020</u>       | <u>2019</u>         |
|---------------------------------------|-------------------|---------------------|
| Governmental Contributions Receivable | \$ 914,780        | \$ 1,159,458        |
| Grants and Contributions Receivable   | 10,756            | 185,000             |
| Total                                 | <u>925,536</u>    | <u>1,344,458</u>    |
| Less: Allowance                       | (24,765)          | (54,713)            |
| Total                                 | <u>\$ 900,771</u> | <u>\$ 1,289,745</u> |

Contributions receivable are expected to be collected during the year ending June 30, 2021.

**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes:

|   | <u>2020</u>       | <u>2019</u>       |
|---|-------------------|-------------------|
| Subject to Expenditure for Specified Purpose: |                   |                   |
| Liberty Community Plaza                       | \$ 260,494        | \$ 240,844        |
| Infrastructure                                | 65,000            | -                 |
| Empowerment                                   | 42,683            | 21,808            |
| Substance Use Disorder                        | 78,954            | 100,000           |
| Active Transportation Planning Initiative     | 9,906             | -                 |
| Community Organizing                          | 7,256             | 65,276            |
| Family Services                               | 6,195             | -                 |
| Promotora                                     | 1,337             | 24,808            |
| Homeless Service                              | -                 | 23,882            |
| Domestic Violence Programs                    | -                 | 9,818             |
| Endowment                                     |                   |                   |
| Perpetual in Nature                           | 40,000            | 20,000            |
| Total Net Assets with Donor Restrictions      | <u>\$ 511,825</u> | <u>\$ 506,436</u> |



**HELPLINE YOUTH COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

During the years ended June 30, 2020 and 2019, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

|   | <u>2020</u>       | <u>2019</u>       |
|---|-------------------|-------------------|
| Subject to Expenditure for Specified Purpose: |                   |                   |
| Substance Use Disorder                        | \$ 138,814        | \$ 100,000        |
| Community Organizing                          | 58,020            | 35,082            |
| Empowerment                                   | 34,125            | 28,192            |
| Promotora                                     | 30,971            | 15,192            |
| Homeless Service                              | 23,882            | 6,118             |
| Family Services                               | 20,805            | 20,000            |
| Liberty Community Plaza                       | 12,000            | 1,508             |
| Domestic Violence Programs                    | 9,818             | 53,178            |
| Pandemic Relief                               | 5,000             | -                 |
| Support Integrated Comm Coalition Training    | 300               | -                 |
| Van   | -                 | 42,100            |
| Management/Development/Technology             | -                 | 70,000            |
| Community Health                              | -                 | 20,000            |
| Vision Learning Center                        | -                 | 14,155            |
| Software and Technology                       | -                 | 13,172            |
| Community Program                             | -                 | 4,500             |
| Total   | <u>\$ 333,735</u> | <u>\$ 423,197</u> |

**NOTE 6 DEBT**

**Bank Line of Credit**

The Organization has a bank revolving line of credit agreement which allows for maximum borrowings of \$250,000, bearing interest at Farmer's & Merchant Bank's prime rate plus 1% per annum, which was 5% at June 30, 2020 and 2019. The agreement matured on February 28, 2020. In March 2020, the agreement was renewed until February 28, 2021, with increased borrowings of \$500,000 until September 30, 2020. Beginning October 1, 2020, the maximum borrowing would decrease to \$250,000. As of June 30, 2020 and 2019, no amounts were outstanding on the line of credit.

**HELPLINE YOUTH COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 6 DEBT (CONTINUED)**

**Paycheck Protection Program (PPP) Loan**

During April 2020, the Organization received a \$1,024,075 loan to fund payroll and utilities through a lender pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is unsecured and guaranteed by the Small Business Administration (SBA). Under the CARES Act, PPP loans will be forgiven if all employee retention criteria are met and the funds are used for eligible expenses. Any portion of the loan that is not forgiven is required to be fully repaid within five years from the loan origination date, by April 2025. The loan may be prepaid at any time without penalty, and bears interest at 1.00% per annum. Under the original terms of the PPP loan, monthly payments of principal and interest were required to begin one month after the expiration of a six-month deferral period. However, under the Paycheck Protection Program Flexibility Act signed into law in June 2020, loan payments are deferred for borrowers who apply for loan forgiveness until such time as the SBA determines the amount of loan forgiveness and remits this amount to the lender. Management intends to have the loan forgiven during the year ended June 30, 2021. Accordingly, any amounts not forgiven will be paid by April 2025.

**NOTE 7 RETIREMENT PLAN**

The Organization has established a retirement plan for qualified employees under the provisions of IRC Section 403(b). Employees may begin elective contributions after 90 days of service. The Organization is not required to and does not match the contributions.

**NOTE 8 CONTRACTS WITH COUNTY OF LOS ANGELES**

The Organization has contracts with the County of Los Angeles to provide services related to child abuse prevention and intervention, gang prevention and intervention, juvenile delinquency prevention, substance abuse prevention and treatment, and mental health treatment.

The contracts were renewed for two to five-year terms and require the Organization to disburse the funds received from the County for direct and indirect expenses of the program. The revenues and expenses related to these contracts are included in the accompanying statements of functional expenses.

The Organization also entered into a lease and operating agreement with the County of Los Angeles, to occupy a portion of the space as a tenant and perform the duties of manager for the community center portion.

**HELPLINE YOUTH COUNSELING, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Government Contracts**

Costs claimed under certain grants and contracts from governmental sources may be subject to disallowance upon final audit by such funding agencies.

**Leases**

The Organization leases office and service facilities under several operating leases with terms expiring at various dates through June 2023. The leases contain operating cost increases over their terms.

The Organization moved its corporate office to Liberty Community Plaza, located at 14181 Telegraph Road in Unincorporated South Whittier in June 2015. The terms of the lease and operating agreement are for an initial five-year term with a five-year extension option. Under the terms of the Organization's lease and operating agreement with the County of Los Angeles, the Organization does not pay rent; instead, the Organization is responsible for utilities, general repairs and maintenance, and managing the entire property. The County of Los Angeles pays \$23,000 a month towards the operating expenses of its building, whereas the remainder of expenses are paid by the Organization in lieu of rent. The Organization estimates that its share of the operating expenses approximates the fair value of rent. During April 2020, the option was renewed and extended until June 2025.

The Organization entered into a two-year term for an office lease in Norwalk, effective July 1, 2018, to expand its rentable square feet to 4,375. The lease term expired on June 30, 2020. During May 2020, the lease term was extended to June 30, 2023 with monthly payments of \$6,152, subject to an annual increase of 3.5%, beginning July 2021.

The Organization entered into a three-year lease for office space in Los Angeles effective, June 1, 2017 through May 31, 2020. The initial rent is \$2,400 per month with a 3% increase annually over the term of the lease. During July 2020, the Organization entered into a five-year lease in Los Angeles to replace the prior lease effective - January 1, 2021 through December 31, 2025. The initial rent is \$4,000 per month with a 3% increase annually over the term of the lease.

The Organization also entered into a lease for office space in Long Beach effective November 1, 2018 through October 31, 2020, with another two-year option with a 3% increase in the base rent. The initial rent is \$2,750 per month for the first year, increased to \$2,832 per month through the initial term of the lease. At June 30, 2020, the lease term was extended to October 31, 2022.

Rent expense and maintenance for the facilities for the years ended June 30, 2020 and 2019 was \$308,672 and \$294,418, respectively.

The future minimum obligations under these leases are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>     |
|-----------------------------|-------------------|
| 2021                        | \$ 118,678        |
| 2022                        | 112,162           |
| 2023                        | 91,100            |
| Total                       | <u>\$ 321,940</u> |

**HELPLINE YOUTH COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 10 INCOME TAXES**

The Organization has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and California under Revenue and Taxation Code Section 23701(d), respectively.

Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Organization uses the same accounting methods for tax and financial reporting. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization returns are more likely than not to be sustained upon examination.



**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***

Board of Directors  
Helpline Youth Counseling, Inc.  
Whittier, CA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Helpline Youth Counseling, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 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 opinion on the financial statements, but not for the purpose 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 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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



**CliftonLarsonAllen LLP**

Pasadena, California  
December 16, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Helpline Youth Counseling, Inc.  
Whittier, CA

**Report on Compliance for Each Major Federal Program**

We have audited Helpline Youth Counseling, Inc.'s (the Organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Organization complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended June 30, 2020.

**Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control over compliance.

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

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

**Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Pasadena, California  
December 16, 2020



**HELPLINE YOUTH COUNSELING, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2020**

| Federal Grantor/Pass through Grantor/<br>Program or Cluster Title                    | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures  |
|--|---------------------------|--|---------------------------------------|--------------------------|
| <b>U.S. Department of Health and Human Services</b>                                  |                           |  |                                       |                          |
| Passed Through the County of Los Angeles Alcohol and Drug<br>Program Administration: |                           |  |                                       |                          |
| Block Grant for Prevention and Treatment of Substance Abuse                          | 93.959                    | PH-003843                                    |                                       | \$ 113,299               |
| Block Grant for Prevention and Treatment of Substance Abuse                          | 93.959                    | PH-003949                                    |                                       | 115,131                  |
| Block Grant for Prevention and Treatment of Substance Abuse                          | 93.959                    | PH-002757                                    |                                       | 306,351                  |
| Total: Block Grant for Prevention and Treatment of<br>Substance Abuse                |                           |  |                                       | <u>534,781</u>           |
| Passed Through the County of Los Angeles:  |                           |  |                                       |                          |
| Promoting Safe and Stable Families   | 93.556                    | 17-9-35                                      |                                       | 19,672                   |
| Promoting Safe and Stable Families   | 93.556                    | 17-9-1                                       |                                       | 27,939                   |
| Total: Promoting Safe and Stable Families  |                           |  |                                       | <u>47,611</u>            |
| Passed Through California Department of Social Service:                              |                           |  |                                       |                          |
| Temporary Assistance for Needy Families  | 93.558                    | PH-003597                                    |                                       | 156,868                  |
| Total: U.S. Department of Health and Human Services                                  |                           |  |                                       | <u>739,260</u>           |
| <b>U.S. Department of Justice</b>  |                           |  |                                       |                          |
| Passed Through the California Governor's Office of Emergency<br>Services:            |                           |  |                                       |                          |
| Crime Victim Assistance  | 16.575                    | K119-02-1230                                 |                                       | 139,453                  |
| Total: U.S. Department of Justice  |                           |  |                                       | <u>139,453</u>           |
| <b>U.S. Department of Housing and Urban Development</b>                              |                           |  |                                       |                          |
| Passed Through the City of South Gate:   |                           |  |                                       |                          |
| Community Development Block Grants/Entitlement Grants Cluster                        | 14.218                    | 3535   |                                       | 13,155                   |
| Total: U.S. Department of Housing and Urban Development                              |                           |  |                                       | <u>13,155</u>            |
| Total Expenditures of Federal Awards   |                           |  |                                       | <u><u>\$ 891,868</u></u> |

See accompanying Notes Schedule of Expenditures of Federal Awards.

**HELPLINE YOUTH COUNSELING, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2020**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Organization did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**HELPLINE YOUTH COUNSELING, INC.  
SCHEDULE OF FINDINGS OF QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

1. Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP, December 16, 2020: Unmodified
  
2. Internal control over financial reporting:
  - Material weakness(es) identified? \_\_\_\_\_ yes       x       no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes       x       none reported
  
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes       x       no

***Federal Awards***

1. Internal control over major federal programs:
  - Material weakness(es) identified? \_\_\_\_\_ yes       x       no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes       x       none reported
  
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
  
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes       x       no

***Identification of Major Federal Programs***

**CFDA Number(s)**

93.959

**Name of Federal Program or Cluster**

Block Grant for Prevention and Treatment of Substance abuse

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

\$ 750,000

Auditee qualified as low-risk auditee?

      x       yes                      no

**HELPLINE YOUTH COUNSELING, INC.**  
**SCHEDULE OF FINDINGS OF QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Findings and Questioned Costs**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**HELPLINE YOUTH COUNSELING, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

There were no findings or questioned costs reported for the year ended June 30, 2019.

