Bill Wilson Center

Consolidated Financial Statements
and Supplementary Information
June 30, 2020
(With summarized comparative totals for June 30, 2019)

Together with
Independent Auditors' Report
and Single Audit Reports

BILL WILSON CENTER

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June 30, 2020

Robert Lee & Associates, LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Bill Wilson Center
Santa Clara, California

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bill Wilson Center (a California public benefit corporation, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

999 W. Taylor Street, Suite A, San Jose, CA 95126 www.rlallp.com Office: 408.855.6770 Fax: 408.855.6774

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Board of Directors of
Bill Wilson Center
Santa Clara, California

Opinion

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 26, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

Robert Lee + Associates, LLP

San Jose, California
October 22, 2020

BILL WILSON CENTER

Consolidated Statement of Financial Position

June 30, 2020

(With summarized comparative totals for June 30, 2019)

	June 30,	
ASSETS	2020	2019
Current assets:		
Cash and cash equivalents	$ 5,318,801	$ 1,651,973
Investments	1,288,645	1,243,368
Receivables, net, current portion	2,503,522	3,771,489
Prepaid expenses and deposits	281,546	228,956
Total current assets	9,392,514	6,895,786
Receivables, net, non-current portion	92,310	145,066
Property and equipment, net	14,536,546	13,075,117
Restricted cash and cash equivalents	434,180	413,764
Total assets	$ 24,455,550	$ 20,529,733
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 961,528	$ 861,139
Accrued expenses	1,798,411	1,589,927
Deposits payable	159,619	140,631
Deferred rent obligation	29,584	-
Deferred revenue	983,238	-
Notes payable, current	95,453	92,194
Total current liabilities	4,027,833	2,683,891
Long-term accrued expenses	327,782	286,739
Notes payable, non-current, net	4,842,073	3,493,097
Total liabilities	9,197,688	6,463,727
Commitments and contingencies		
Net assets without donor restrictions	6,725,948	5,704,838
Net assets with donor restrictions	8,531,914	8,361,168
Total net assets	15,257,862	14,066,006
Total liabilities and net assets	$ 24,455,550	$ 20,529,733

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

BILL WILSON CENTER

Consolidated Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2020

(With summarized comparative totals for the year ended June 30, 2019)

	2020			2019
	Without donor restrictions	With donor restrictions	Total	Comparative Totals
Support and revenue:				
Support:				
Contributions	$ 199,837	$ 675,517	$ 875,354	$ 302,565
Contributions in-kind	577,281	-	577,281	507,491
Special events, net	129,876	-	129,876	107,553
Foundations and corporations	309,239	238,064	547,303	677,753
United Way	2,219	-	2,219	4,313
Total support	1,218,452	913,581	2,132,033	1,599,675
Revenue:				
Federal government awards	5,921,623	-	5,921,623	5,807,881
State and local government awards	15,554,063	-	15,554,063	12,956,980
Paycheck protection program proceeds	1,530,184	-	1,530,184	-
Investment income, net	48,768	-	48,768	63,693
Fees for services	975,380	-	975,380	178,268
Rental income	266,133	-	266,133	236,745
Miscellaneous income	30,474	-	30,474	39,445
Total revenue	24,326,625	-	24,326,625	19,283,012
Net assets released from restrictions	742,835	(742,835)	-	-
Total support and revenue	26,287,912	170,746	26,458,658	20,882,687
Expenses:				
Program services	22,304,252	-	22,304,252	17,639,746
Supporting services:				
Management and general	2,235,586	-	2,235,586	2,118,059
Fundraising and development	286,206	-	286,206	298,481
Total supporting services	2,521,792	-	2,521,792	2,416,540
Total expenses before depreciation and amortization	24,826,044	-	24,826,044	20,056,286
Change in net assets before depreciation and amortization	1,461,868	170,746	1,632,614	826,401
Depreciation and amortization expense	440,758	-	440,758	431,345
Change in net assets	1,021,110	170,746	1,191,856	395,056
Net assets, beginning of year	5,704,838	8,361,168	14,066,006	13,670,950
Net assets, end of year	$ 6,725,948	$ 8,531,914	$ 15,257,862	$ 14,066,006

BILL WILSON CENTER
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
(With summarized comparative totals for the year ended June 30, 2019)

	2020							
	Program Services							
	Mental Health Services	Residential Services	Youth & Family Services	Counseling Services	Transitional Housing Services	Drop-In Center	Peacock Commons Apts	Total Program Services
Staff compensation	$ 2,292,254	$ 1,518,281	$ 1,649,716	$ 646,521	$ 2,224,985	$ 787,946	$ 130,750	$ 9,250,453
Employee benefits	397,092	290,507	337,643	113,741	440,137	156,630	26,502	1,762,252
Payroll taxes	191,125	126,966	145,465	51,967	190,259	66,843	10,284	782,909
Communication costs	38,446	33,924	29,067	23,602	76,861	12,283	11,349	225,532
Conferences and meetings	3,264	675	314	-	4,409	-	495	9,157
Equipment and furniture	60,653	37,165	18,756	356	148,159	9,166	16,706	290,961
Food and beverages	5,322	140,274	41,984	2,974	422,530	25,265	15,233	653,582
Host family payments	-	-	-	-	23,919	-	-	23,919
Insurance	34,328	24,478	8,804	6,613	33,571	7,778	6,675	122,247
Interest expense	-	50,736	-	12,537	43,246	-	31,714	138,233
Maintenance and equipment rental	33,436	59,068	15,229	9,946	87,713	18,887	74,591	298,870
Membership dues and licenses	19,670	14,483	2,923	4,272	3,356	120	4,228	49,052
Occupancy	184,749	40,557	74,800	70,336	719,272	16,548	2,495	1,108,757
Payments to sub-recipients	-	-	263,520	-	74,639	-	-	338,159
Postage and shipping	3,487	767	1,852	2,412	1,181	350	79	10,128
Printing and publications	23,366	13,632	18,648	22,473	12,414	8,338	1,785	100,656
Professional fees	480,518	55,303	42,036	424,180	259,077	19,088	38,597	1,318,799
Recruiting and training costs	36,643	18,616	20,496	3,057	124,981	4,614	816	209,223
Rental assistance	-	-	877,287	-	1,644,330	-	-	2,521,617
Reserve for bad debts	-	-	6,969	2,840	5,921	-	5,531	21,261
Service charges	-	795	-	2,322	28	-	204	3,349
Specific assistance	477	130,724	1,343,909	8,500	803,720	44,089	22,214	2,353,633
Supplies	26,013	30,777	36,999	7,633	93,054	20,617	9,333	224,426
Travel and transportation	16,027	25,577	55,054	1,448	55,139	11,515	1,776	166,536
Utilities	15,680	80,667	4,901	6,590	123,939	12,410	57,704	301,891
Youth stipends	-	-	2,000	-	16,650	-	-	18,650
Total expenses before depreciation and amortization	3,862,550	2,693,972	4,998,372	1,424,320	7,633,490	1,222,487	469,061	22,304,252
Depreciation and amortization	18,386	114,118	-	6,694	59,989	11,165	187,229	397,581
Total expenses	$ 3,880,936	$ 2,808,090	$ 4,998,372	$ 1,431,014	$ 7,693,479	$ 1,233,652	$ 656,290	$ 22,701,833

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

BILL WILSON CENTER

Consolidated Statement of Functional Expenses (Continued)

For the Year Ended June 30, 2020

(With summarized comparative totals for the year ended June 30, 2019)

	2020					2019
	Total	Support services			Total Program	
	Program Services	Management and General	Fundraising and Development	Totals	and Support Services	Comparative Totals
Staff compensation	$ 9,250,453	$ 1,595,036	$ 205,220	$ 1,800,256	$ 11,050,709	$ 9,549,292
Employee benefits	1,762,252	224,449	25,997	250,446	2,012,698	1,999,337
Payroll taxes	782,909	97,581	14,685	112,266	895,175	789,664
Communication costs	225,532	27,067	1,550	28,617	254,149	233,224
Conferences and meetings	9,157	205	1,222	1,427	10,584	18,754
Equipment and furniture	290,961	20,661	3,611	24,272	315,233	149,951
Food and beverages	653,582	21,691	-	21,691	675,273	516,237
Host family payments	23,919	-	-	-	23,919	290,715
Insurance	122,247	46,960	1,124	48,084	170,331	158,009
Interest expense	138,233	-	-	-	138,233	101,882
Maintenance and equipment rental	298,870	26,513	2,053	28,566	327,436	256,343
Membership dues and licenses	49,052	14,284	5,011	19,295	68,347	71,903
Occupancy	1,108,757	4,797	166	4,963	1,113,720	1,721,929
Payments to sub-recipients	338,159	-	-	-	338,159	329,968
Postage and shipping	10,128	692	1,236	1,928	12,056	12,041
Printing and publications	100,656	13,643	9,882	23,525	124,181	129,514
Professional fees	1,318,799	38,572	3,705	42,277	1,361,076	1,154,554
Recruiting and training costs	209,223	13,511	1,237	14,748	223,971	105,473
Rental assistance	2,521,617	-	-	-	2,521,617	634,110
Reserve for bad debts	21,261	-	-	-	21,261	26,818
Service charges	3,349	21,376	1,668	23,044	26,393	28,996
Specific assistance	2,353,633	-	1,237	1,237	2,354,870	1,097,929
Supplies	224,426	15,431	1,409	16,840	241,266	216,757
Travel and transportation	166,536	14,295	476	14,771	181,307	169,815
Utilities	301,891	38,822	4,717	43,539	345,430	277,291
Youth stipends	18,650	-	-	-	18,650	15,780
Total expenses before depreciation and amortization	22,304,252	2,235,586	286,206	2,521,792	24,826,044	20,056,286
Depreciation and amortization	397,581	24,863	18,314	43,177	440,758	431,345
Total expenses	$ 22,701,833	$ 2,260,449	$ 304,520	$ 2,564,969	$ 25,266,802	$ 20,487,631

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

BILL WILSON CENTER

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2020

(With summarized comparative totals for the year ended June 30, 2019)

	Years Ended 2020	2019
Cash flows from operating activities:		
Change in net assets	$ 1,191,856	$ 395,056
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	440,758	431,345
Net realized and unrealized loss on investments	18,041	33,217
Deferred rent obligation	29,584	-
Long-term accrued expenses	41,043	41,044
Changes in operating assets and liabilities:		
Receivables	1,320,723	(188,584)
Prepaid expenses and deposits	(52,590)	10,555
Accounts payable	100,389	361,356
Accrued expenses	208,484	168,721
Deposits payable	18,988	(7,720)
Deferred revenue	983,238	(412)
Net cash provided by operating activities	4,300,514	1,244,578
Cash flows from investing activities:		
Proceeds from sale of investments	128,288	62,545
Purchases of investments	(191,606)	(159,101)
Purchases of property and equipment	(418,508)	(193,041)
Net cash used by investing activities	(481,826)	(289,597)

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

BILL WILSON CENTER

Consolidated Statement of Cash Flows (Continued)

For the Year Ended June 30, 2020

(With summarized comparative totals for the year ended June 30, 2019)

	Years Ended 2020	Years Ended 2019
Cash flows from financing activities:		
Payments on notes payable	$ (101,844)	$ (89,246)
Capitalized loan fees	(29,600)	-
Repayments on line of credit	-	(500,000)
Borrowings on line of credit	-	200,000
Net cash used by financing activities	(131,444)	(389,246)
Increase in cash and cash equivalents	3,687,244	565,735
Cash and cash equivalents, beginning of year	2,065,737	1,500,002
Cash and cash equivalents, end of year	$ 5,752,981	$ 2,065,737
Cash and cash equivalent reconciliation:		
Cash and cash equivalents	$ 5,318,801	$ 1,651,973
Restricted cash and cash equivalents	434,180	413,764
Total cash and cash equivalents	$ 5,752,981	$ 2,065,737

Supplemental disclosure of cash flow information

	2020	2019
Cash paid during the year for interest	$ 97,191	$ 62,154

Supplemental disclosure of non-cash transactions

	2020	2019
Property and equipment acquired with debt	$ 1,480,000	$ -

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

Note 1 - Organization, principles of consolidation and program summaries:

Organization - Bill Wilson Center ("BWC") was incorporated as a California non-profit organization on March 29, 1974 and provides services to the residents of Santa Clara County. The Organization's mission is to support and strengthen the community by serving youth and families through counseling, housing, education and advocacy. The Organization emphasizes the importance of collaborative program development and service delivery.

On December 5, 2018, the Organization entered into a transition agreement with UpLift Family Services ("UpLift"). For the first twelve months, either party had the ability to terminate the agreement without cause and in its sole discretion. On November 18, 2019, both parties entered into a mutual agreement of termination. This agreement terminated the merger of BWC into UpLift and removed UpLift as BWC's sole member.

Principles of consolidation - The consolidated financial statements include the accounts of a subsidiary, Peacock Commons, LLC, (the "LLC") a California limited liability company of which Bill Wilson Center is the sole member (collectively, the Organization). The LLC was formed on April 25, 2011 to provide housing for low income persons, where no adequate housing exists for such groups; or to serve as a general partner in a limited partnership which owns and operates housing for the benefit of low income persons who are in need of affordable, decent, safe and sanitary housing and related services. The Peacock Commons apartments were certified for occupancy on April 26, 2012. All intercompany accounts have been eliminated in the accompanying consolidated financial statements.

Program summaries - The Organization operates programs in seven distinct areas as follows:

Mental Health Services

- Mental Health Services are provided to Medi-Cal eligible individuals and include therapy and psychiatric services, including intensive outpatient and school linked services.
- Young Adult and Transition Age Youth Mental Health services provide immediate access to therapy and psychiatric services through a crisis line.
- BWC Connections connects LGBTQ young adults to housing, education, and mental health resources within Bill Wilson Center.
- In Home Outreach services are provided to adults in order to engage them in Mental Health Services.

Residential Programs

- Provides short-term housing for homeless and runaway youth at BWC's Residential Programs and host homes. Youth receive intensive individual, group and family counseling in order to reunite youth with their families.
- Transitional Housing Placement Program provides semi-independent living for youth ages 16 to 18, including parenting youth, who are in the foster care system. The youth learn the skills they need to become self-sufficient.

Note 1 - Organization, principles of consolidation and program summaries (continued):

Youth and Family Services

- Safe Place provides youth with easy access to services or safety.
- Family Advocacy Services provides support to families who have youth enrolled in the San Jose and Santa Clara Unified School Districts who are struggling due to their family's homelessness.
- Rapid Rehousing and Homeless Prevention provides case management and rental assistance to youth and young parent families.
- Independent Living Program provides current and former foster youth and young adults, ages 16 to 21, with essential life skills through individual case management, housing and financial assistance, educational classes and workshops, pro-social activities and events, counseling services, and youth leadership development.
- Tenant Based Rental Assistance (TBRA) provides financial assistance for families living or attending school in Santa Clara, or transitioning off the streets and into housing.

Counseling Services

- Contact Cares volunteers provide supportive listening, information and referral through 24-hour crisis lines.
- Counselors provide low-cost, professional counseling services to families and individuals of all ages.
- Parent-Child Interactive Therapy and Training provides therapeutic coaching to parents with young children in an effort to build positive relationships.
- School Outreach Counseling provides on-site counseling services to Santa Clara Unified School District middle and high school students, and several other schools.
- Child Abuse Treatment Program provides counseling for children and youth who have experienced abuse and neglect.
- Centre for Living with Dying provides emotional support to adults and children facing life-threatening illness or the trauma of the loss of a loved one.
- Healing Heart Program provides emotional support to children and youth who have experienced the loss of a loved one.
- Critical Incident Stress Management provides training and support for first responders.
- Volunteer Case Aide Program matches trained volunteers with children in foster care who need services such as tutoring, mentoring, and supervised visits.
- Parenting Classes build communication skills between parents and youth, ages 12 to 17.

Transitional Housing Services

- Transitional Housing Program ("THP") provides housing and support services for homeless young adults ages 18 - 24, including parenting young adults and their infants/toddlers.
- THP+ provides rental subsidies and supportive services for young adults who have aged out of foster care.
- THP-Non Minor Dependents provides housing and support services for young adults who have elected to stay in foster care after turning 18.

Note 1 - Organization, principles of consolidation and program summaries (continued):

Transitional Housing Services (continued)

- LGBTQ Transitional Living Program is a supportive housing program for homeless young adults, ages 18 to 21, who identify as LGBTQ.
- Young Adult Shelter provides emergency shelter and supportive services to homeless victimized young adults between the ages of 18 and 24.
- LGBTQ Host Home Program matches people who can provide temporary, interim housing to LGBTQ young adults, ages 18 to 24, who are currently homeless.
- Emergency Housing Services provides a Transitional Housing to Rapid Re-Housing (TH-RRH) option for homeless young adults who have the highest need for support.
- Young Adult Family Shelter provides emergency shelter and supportive services to families.

Drop-In-Center

- Drop-In-Center for homeless youth and young adults provides basic necessities as well as case management, job readiness, housing assistance, HIV prevention, and outreach services with the goal of helping youth and young adults exit the streets.

Peacock Commons Apts

- Permanent Housing Apartment Complex provides affordable rent and supportive services for young adults and families residing at Peacock Commons.

Note 2 - Summary of significant accounting policies:

Basis of accounting - The consolidated financial statements have been prepared on the accrual basis of accounting which recognizes revenue and support when earned and expenses when incurred and accordingly reflect all significant receivables, payables and other liabilities.

Basis of presentation - The Organization presents its consolidated financial statements in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP"), which requires the Organization to report information regarding its financial position and activities according to two classes of net assets:

- *Net assets without donor restrictions* - include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Organization maintains an operating fund plus any net assets designated by the Board for specific purposes.
- *Net assets with donor restrictions* - include those assets which are subject to a donor restriction and for which the applicable restriction was not met as of the end of the current reporting year. The Organization has elected to report as an increase in net assets with donor restriction any restricted revenue received in the current year for which the restrictions have been met in the current year.

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

Use of estimates - The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in preparing these consolidated financial statements include the allowance for doubtful accounts, the discount for present value on contributions receivable, the useful lives of property and equipment, future payment estimates on loans, and the allocation of expenses by function. Actual results could differ from these estimates under different conditions.

Cash and cash equivalents - Cash and cash equivalents include demand deposits in banks and money market funds. The carrying amount in the consolidated statement of financial position approximates fair value.

Revenue recognition -

Grant revenue - The Organization's programs are supported by client fees, government grants and contracts and by contributions from individuals, corporations and foundations. The Organization receives cost reimbursement contract revenue as well as fixed rate contract revenue. Revenue is recognized when the corresponding service has been provided according to the agreement, subject to the contract limit, if any. Under fixed rate contracts, the Organization agrees to provide certain services in specified quantities at a prescribed rate per unit of service provided. Certain contracts have provisions for annual settlements to provide for recovery of costs for service capacity required to be provided, but not utilized, and for repayment of amounts billed in excess of contract limits. Estimated settlements are accrued by the Organization as a reconciliation reserve and are reported in the consolidated statements of activities and changes in net assets. These amounts approximate fair value as they are expected to be received or paid within one year.

Contribution revenue - Contributions are recognized when the donor makes a pledge that is, in substance, an unconditional promise to give. Unconditional promises to give are recorded as with or without donor restrictions depending on the nature of donor restrictions. A conditional promise to give is a promise that depends on the occurrence of a specified future and uncertain event to bind the promisor. There were no conditional promises to give at June 30, 2020.

Special Event - The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as costs of direct donor benefits in the statements of activities and changes in net assets. The performance obligation is the delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Organization. The Organization establishes the transaction price, often at a discount, based on quoted prices in active markets, with a discount, for identical events.

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

Revenue recognition (continued) -

In-kind contributions - Significant donated equipment, facility and other goods are recorded at their estimated fair market value as of the date of receipt. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair market value at the time the services are rendered. The Organization may also receive donated services that do not require specific expertise but which are nonetheless central to the Organization's operations; these amounts are not recorded.

Rental income - The Organization owns properties that are rented to individuals at reduced rental rates as part of the services of the Organization. Rental income is recorded in the same month that the payment is earned.

Other revenue - Other revenue consists primarily of investment income and is recognized over time when earned.

Functional expense allocations - The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include occupancy, office expense, insurance and payroll taxes. The basis of allocation of these expenses relies mostly on the direct allocation method, which allocates all costs that can be identified specifically with a particular final cost objective to the particular segment to which the expense relates. The indirect allocation method, based on either financial or non-financial measurements, is used for costs that have been incurred for common or joint objectives and cannot be readily associated with a specific reporting segment, in accordance with the policy of the Bill Wilson Center. The consolidated financial statements report expenses by function in the statement of functional expenses.

Advertising - The Organization’s policy is to expense advertising costs to operations as incurred. The Organization incurred approximately $4,000 and $4,600 in advertising expenses for the years ended June 30, 2020 and 2019, respectively.

Investments - The Organization’s investments are valued in accordance with GAAP, including fair value measurements. The Organization invests in marketable securities and money market funds. All debt securities and equity securities are carried at quoted market prices as of the last trading date of the Organization’s fiscal year. Contributions of investments are recorded at estimated fair value at the date of donation and are sold as soon as reasonably possible. Gains and losses that result from market fluctuations are recognized in the year such fluctuations occur. Realized gains or losses resulting from sales or maturities are the differences between the investment cost basis and the sale or maturity settlement of the investment. Dividend and interest income are recognized when earned.

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

Receivables - Receivables consist of grants receivable, contracts receivable, pledges receivable and other receivables. Grants receivable consist primarily of amounts awarded by governmental agencies for various purposes. Contracts receivable consist primarily of amounts billed for services provided. Pledges receivable are recorded when an unconditional promise to give has been made to the Organization. The Organization provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance as of June 30, 2020 and 2019 was approximately $929,000 and $959,000, respectively. At June 30, 2020 and 2019, approximately $143,000 and $1,045,000 of the accounts receivable balance was 90 days or more past due, respectively.

Prepaid expenses and deposits - Prepaid expenses primarily consist of payments made associated with the Organization's insurance policies and rent. Such prepayments are amortized over the term of the related insurance coverage or lease agreement. Deposits consist of security deposits on rented property.

Property and equipment - Property and equipment are recorded at cost, or if contributed, at the estimated fair market value when donated. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. There were no restrictions placed on property and equipment at June 30, 2020.

Depreciation and amortization - Depreciation and amortization is computed using the straight-line method over estimated useful lives of the related assets which range from five to ten years for automobiles and furniture and equipment; and ten to forty years for buildings and improvements. The Organization capitalizes all expenditures for equipment and improvements in excess of $2,500. Expenditures for maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

Notes payable - Notes payable include building and loan acquisition costs incurred in connection with the mortgage notes payable. They are secured by deed of trust on real property and are being amortized over the remaining lives of the building or loan term. Amortization of loan fees is computed using the straight-line method over the lives of the related loans. Amortization expense amounted to approximately $3,700 and $2,600 for the years ended June 30, 2020 and 2019, respectively.

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

Long-lived assets - The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any assets may not be recoverable. No such impairments have been identified to-date.

Construction in progress - Construction in progress represents assets acquired and not yet placed into service. Applicable interest charges incurred during the construction are capitalized as an element of the cost and are amortized over the asset's estimated useful life, when material.

Restricted cash and cash equivalents - Restricted cash and cash equivalents include demand deposits in banks and money market funds that are restricted by donors to be maintained in separate accounts. The carrying amount in the consolidated statements of financial position approximates fair value.

Deposits payable - The Organization receives security deposits from residents of Peacock Commons, the transitional housing program, and from the County of Santa Clara for placement of foster youth.

Deferred revenue - Deferred revenue is recorded for rents and grants received from sources in advance of the period for which the payment is earned.

Federal awards - Federal awards consist of funds received from the federal government for specific projects. Substantially all of the Organization's federal award revenue is derived from cost reimbursement grants, which are billed to the grantor after costs have been incurred. Federal award revenue and unbilled federal awards are recognized to the extent the related costs are incurred.

Federal awards are subject to review and audit by the grantor agencies in accordance with the Single Audit Act and Office of Management and Budget ("OMB") Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Although such audits could result in expenditure disallowances under terms of the grants, it is believed that any required reimbursement would not be material to the consolidated financial statements at June 30, 2020.

Fair value of financial instruments - Financial instruments included in the Organization's consolidated statement of financial position as of June 30, 2020 and 2019 include cash and cash equivalents, receivables, investments, accounts payable, accrued expenses and notes payable. Pledges receivable and investments are reflected in the accompanying consolidated statement of financial position at their estimated fair values, using methodologies described above.

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

Concentration of revenue sources - For the year ending June 30, 2020 and 2019, approximately 87% and 90% of the Organization's support and revenue is derived from grants from Federal, State and local government agencies, respectively.

Concentration of credit risk - Financial instruments, which potentially subject the Organization to credit risk, consist primarily of cash, cash equivalents and receivables. The Organization maintains cash and cash equivalents with commercial banks and other major financial institutions. At times, such amounts might exceed Federal Deposit Insurance Corporation limits. It is the Organization's opinion that it is not exposed to any significant credit risks.

Accounting for uncertainty in income taxes - The Organization evaluates its uncertain tax positions and will recognize a loss contingency when it is probable that a liability has been incurred as of the date of the consolidated financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. As of June 30, 2020, management did not identify any uncertain tax positions.

Summarized comparative information - The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2019, from which the summarized information was obtained.

Recently adopted accounting guidance - During fiscal year 2020, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the accounting Guidance for Contributions Received and Contributions Made. This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB Accounting Standards Codification ("ASC") Topic 606). If no commensurate value is received by the general public as a result of the grant, it is not considered to be commensurate value received by the provider of the grant. Results for reporting the years ending June 30, 2020 and 2019 are presented under FASB ASU 2018-08. There was no material impact to the consolidated financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

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

Recent accounting pronouncements - In August 2018, FASB issued ASU 2018-13, Fair Value Measurements: Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurements. This ASU modifies the disclosure requirements for fair value measurements. Those modifications include the removal and addition of disclosure requirements as well as clarifying specific disclosure requirements. The ASU is effective for fiscal years beginning after December 15, 2019. Certain provisions of the ASU will be applied prospectively while the rest of the provisions will be applied retrospectively. Management has not determined the impact of this pronouncement.

In February 2016, the FASB issued ASU No. 2016-02 “Leases.” The ASU is intended to increase transparency and comparability between organizations recognizing lease assets and liabilities by recognizing lease assets and lease liabilities on the balance sheet and increasing the related disclosures. For non-public entities, the effective date will be effective for annual reporting periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022. Early application is permitted. Management has not determined the impact of this pronouncement.

In May 2014, the FASB issued ASU No. 2014-09 “Revenue from Contracts with Customers (Topic 606).” The ASU provides guidance over the core principle of recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. ASU 2014-09 will supersede the revenue recognition requirements in ASC 605, "Revenue Recognition," and most industry-specific guidance throughout the Industry Topics of the FASB ASC. The purpose of the new standard is to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards (IFRS). In August 2015, the FASB issued ASU 2015-14 “Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date” which will defer the effective date of ASU No. 2014-09 "Revenue from Contracts with Customers" for all entities by one year. In March 2016, the FASB issued ASU No. 2016-08 “Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations. The ASU improves operability and understandability of Topic 606 in principal versus agent considerations. In April 2016, the FASB issued ASU No. 2016-10 “Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing.” The ASU expands on Topic 606 with clarification over identifying performance obligations and licensing. For non-public entities, the ASU will be effective for annual reporting periods beginning after December 15, 2019 and interim periods within annual periods beginning after December 15, 2020. Early adoption is permitted under several options, the earliest for a year beginning after December 15, 2016 and interim periods within that year. Various retrospective application methods are available. Management has not determined the impact of this pronouncement.

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

Recent accounting pronouncements (continued) -In September 2020, FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU is meant to improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for not-for-profit entities ("NFP"), including additional disclosure requirements for recognized contributed services. This ASU requires that all NFP receiving nonfinancial assets must present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The ASU also requires further disclosure on the contributed nonfinancial assets in the notes to the financial statements. The ASU will be applied retrospectively and is effective for fiscal years beginning after June 15, 2021, and interim periods beginning after June 15, 2022. Early adoption is permitted. Management has not determined the impact of this pronouncement.

Reclassification - Certain fiscal year 2019 balances have been reclassified to conform to the fiscal year 2020 financial statement presentation. These reclassifications have no effect on previously reported change in net assets.

Subsequent events - Subsequent events are evaluated through the date of the independent auditors' report, which is the date the consolidated financial statements were available to be issued and determined that no material subsequent events require an estimate to be recorded or disclosed as of June 30, 2020.

Note 3 - Liquidity and availability of financial assets:

Financial assets available for general expenditures, that is without restrictions limiting their use, within one year of the current statements of financial position date, comprise the following at June 30:

	2020	2019
Cash and cash equivalents	$ 5,318,801	$ 1,651,973
Investments	1,288,645	1,243,368
Receivables, net, current portion	2,503,522	3,771,489
Total financial assets	9,110,968	6,666,830
Less net assets with donor restrictions	(890,031)	(392,286)
Total financial assets available to meet cash needs for general expenditures within one year	$ 8,220,937	$ 6,274,544

The Organization has certain donor-restricted assets which are not available for general expenditure in the normal course of operations. Accordingly, the net assets with donor restrictions related to those assets are excluded from the above.

Note 3 - Liquidity and availability of financial assets (continued):

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. The Organization also has a $850,000 line of credit available at June 30, 2020 to meet cash flow needs.

Note 4 - Receivables, net:

The following amounts are reported as receivables as of June 30:

	2020	2019
Grants receivable	$ 3,245,937	$ 4,535,977
Contracts receivable	27,445	54,376
Pledges receivable	214,150	264,977
Accounts receivable	39,596	15,477
Total receivables	3,527,128	4,870,807
Less: allowance for doubtful accounts and fair value adjustment	(931,296)	(954,252)
Total receivables, net	2,595,832	3,916,555
Less: current portion	(2,503,522)	(3,771,489)
Non-current portion	$ 92,310	$ 145,066

Receivables are recorded at fair value using a discount rate of 5% at June 30, 2020. Total pledge discount recorded was approximately $8,000. Maturities for receivables are as follows:

Year Ending June 30,	
2021	$ 3,404,046
2022	56,853
2023	37,999
2024	17,452
2025	7,636
Thereafter	3,142
Total	3,527,128
Less: allowance for doubtful accounts and fair value adjustment	(931,296)
Less: current portion	(2,503,522)
Non-current portion	$ 92,310

Note 5 - Investments:

The Organization follows the provisions of the Fair Value Measurements and Disclosure topic of the FASB ASU. These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

An investment's classification within a level in the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. The categorization of the investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Organization's perceived risk of that investment.

The following tables present the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level with fair value hierarchy as of June 30, 2020 and 2019.

	June 30, 2020		
	Level 1	Level 2	Total
Cash and cash equivalents	$ 92,226	$ -	$ 92,226
Fixed income securities	216,565	389,699	606,264
Equity securities	590,155	-	590,155
Total investments	$ 898,946	$ 389,699	$ 1,288,645

	June 30, 2019		
	Level 1	Level 2	Total
Cash and cash equivalents	$ 132,323	$ -	$ 132,323
Fixed income securities	159,525	406,858	566,383
Equity securities	544,662	-	544,662
Total investments	$ 836,510	$ 406,858	$ 1,243,368

Note 5 - Investments (continued):

The following schedule summarizes the investment activity as of June 30:

	2020	2019
Interest and dividends	$ 40,132	$ 39,395
Realized gain (loss) on investments, net	(272)	10,255
Unrealized gain on investments, net	18,313	22,962
	58,173	72,612
Less management fees	(9,405)	(8,919)
Net investment income	$ 48,768	$ 63,693

Note 6 - Property and equipment, net:

Property and equipment consists of the following at June 30:

	2020	2019
Buildings and improvements	$ 14,031,443	$ 13,460,688
Furniture and equipment	458,870	447,872
Vehicles	95,186	95,186
	14,585,499	14,003,746
Less accumulated depreciation and amortization	(5,334,370)	(4,897,288)
	9,251,129	9,106,458
Land	5,240,556	3,934,417
Construction-in-progress	44,861	34,242
Property and equipment, net	$ 14,536,546	$ 13,075,117

Construction-in-progress represents costs incurred on the construction of assets that have not been completed or placed in service as of June 30, 2020. Depreciation and amortization expense was approximately $441,000 and $431,000 for the fiscal years ended June 30, 2020 and 2019, respectively.

Note 7 - Deferred revenue:

The activity in deferred revenue consists of revenue from contracts with customer and the Paycheck Protection Program funds. On April 22, 2020, the Organization secured funds in the amount of approximately $2,358,000 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses based on average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and meets certain criteria. The Small Business Administration and the lender establish these criteria.

The Organization intends to use the proceeds for purposes consistent with the PPP. Therefore, management determined the funds are a conditional grant and recognizes revenues as the funds are expended within the specified conditions. The unforgiven portion of the PPP loan is payable over two years, with the first payment being due October 22, 2020, at an interest rate of 1%, with a deferral of payments for the first six months. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the Organization cannot assure that it will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part. The activity and balances for deferred revenue are shown in the following table:

Balance at June 30, 2019	$ -
Payments received for future obligations	155,392
Proceeds from Paycheck Protection Program	2,358,030
Foregiveness of Paycheck Protection Program funds	(1,530,184)
Balance at June 30, 2020	$ 983,238

Note 8 - Line of credit:

The Organization is obligated under a line of credit, maturing December 15, 2020 and secured by the personal property of the Organization. The line is available up to $850,000 and bears interest at the greater of the bank's prime rate (3.25% at June 30, 2020) or 5.00%. This agreement and all of the other Wells Fargo Bank agreements require the Organization to comply with certain covenants. Management is not aware of any violations of these covenants. There was no balance as of June 30, 2020 and 2019.

BILL WILSON CENTER
Notes to Consolidated Financial Statements
June 30, 2020

Note 9 - Notes payable:

The Organization had the following notes payable at June 30:

	2020	2019
San Jose Enclave - Wells Fargo Bank	$ 439,493	$ 477,930
Summerdale - Wells Fargo Bank	416,016	452,726
Peacock Court - City of Sunnyvale	100,000	100,000
Peacock Court - Housing Trust	500,000	500,000
Peacock Court - County of Santa Clara	200,000	200,000
Peacock Court - CalHFA	757,120	757,120
Jackson Street - City of Sunnyvale	45,000	45,000
Jackson Street - Housing Trust	35,000	35,000
509 View Street - City of Mountain View	404,814	404,814
509 View Street - City of Sunnyvale	72,000	72,000
Socorro Residence - City of Sunnyvale	590,000	590,000
Blossom Hill Rd - Housing Trust	1,469,540	-
Subaru Motors Finance	-	16,237
Total notes payable	5,028,983	3,650,827
Less unamortized issuance costs	(91,457)	(65,536)
Less current portion	(95,453)	(92,194)
Non-current portion	$ 4,842,073	$ 3,493,097

During the year ended June 30, 2015, the Organization performed renovations of buildings located at 1284 and 1294 Jackson Avenue in Santa Clara, California. To partially finance the renovation, the Organization borrowed $80,000 in loans, $35,000 from the Housing Trust and $45,000 from the City of Sunnyvale. The Housing Trust loan bears simple interest, deferred at 2.00% and becomes due in December 2044. The City of Sunnyvale loan bears simple interest, deferred at 3.00% and is due in October 2044.

Note 9 - Notes payable (continued):

During the year ended June 30, 2014, the Organization purchased real property at 1141 Summerdale Dr., San Jose, California. To finance the purchase of this property the Organization refinanced the San Jose Enclave property and borrowed an additional $302,465 ("refinanced loan") and entered into a new loan in the amount of $618,750 ("new loan"). The refinanced loan bears interest at 5.25%, is due February 15, 2029 and requires monthly principal and interest payments of $5,226. Interest paid during the years ended June 30, 2020 and 2019 was approximately $25,000 and $26,000, respectively. The new loan with Wells Fargo Bank bears interest at 5.25%, is due February 15, 2029 and requires monthly principal and interest payments of $4,999. Interest paid during the years ended June 30, 2020 and 2019 was approximately $23,000 and $25,000, respectively.

On June 24, 2010, the Organization obtained a Community Development Block Grant (CDBG) loan from the County of Santa Clara in the amount of $200,000 to purchase real property located at 3661 Peacock Court in Santa Clara, California. The loan is secured by a Deed of Trust and bears simple interest, deferred at 3% and is due January 2068. During the year ended June 30, 2011, the Organization renovated the building. To partially finance the renovation, the Organization borrowed $100,000 of CDBG funds from the City of Sunnyvale, secured by Peacock Court. The loan bears simple interest, deferred at 3.00% and is due January 2066. In addition, the Organization secured two $370,400 loans and a $500,000 loan from Opportunity Fund Northern California. During fiscal year 2012, a total of $912,766 was drawn on these loans. The Organization refinanced these loans in fiscal year 2013 with two loans through the Housing Trust for $500,000 and the California Housing Finance Agency for $757,120. The Housing Trust loan bears no interest and becomes due January 2068. The California Housing Finance Agency ("CalHFA") loan bears simple interest, deferred at 3.00% and is due January 2068. In connection with this refinancing, Mental Health Services Act ("MHSA") funds in the amount of $824,527 have been set aside by CalHFA in a Capitalized Operating Subsidy Reserve account. These funds are an asset of CalHFA, and will become revenue to the Organization when and if disbursed. These funds may be disbursed to the Organization for the purpose of supplementing Peacock Commons, LLC rental shortfalls for the payment of approved Operating Expenses associated with seven MHSA eligible apartments.

Note 9 - Notes payable (continued):

The Organization obtained Community Development Block Grant (CDBG) loans from the City of Mountain View and the City of Sunnyvale to purchase real property located at 509 View Street, Mountain View, California. The City of Mountain View loan, in the amount of $404,814, is structured as an equity sharing arrangement whereby the City of Mountain View will receive 80% of the market value of the property upon a transfer of the property. The amount recorded is the estimated equity share of the property. The loan bears no interest and has no due date. The City of Sunnyvale loan, in the amount of $72,000 is due and payable on June 30, 2026. There is no interest on $26,000 of the $72,000, while the remaining $46,000 bears simple interest of 3.00% per annum, deferred. Upon acquisition of the property, $13,800 of accrued interest on the $46,000 was assumed by the Organization. The Organization accrued interest of $1,380 for the years ended June 30, 2020 and 2019.

During the year ended June 30, 2013, the Organization purchased real property at 1353 Socorro Avenue, Sunnyvale, California. To finance the purchase of this property the Organization borrowed $590,000 from City of Sunnyvale. The loan bears simple interest at 1.00% and is due March 2043.

During the year ended June 30, 2020, the Organization purchased real property at 14420 Blossom Hill Road, San Jose, California. To finance the purchase of this property the Organization borrowed $1,480,000 from the Housing Trust of Silicon Valley. The loan bears monthly interest at 2.50% above the 20 year treasury fixed rate (1.18% as of June 30, 2020), monthly payments including interest of approximately $6,000, and the note becomes due in September 2039. Interest paid during the year ended June 30, 2020, was approximately $49,000 and interest of $5,000 was accrued.

The future scheduled principal payments under these notes are as follows:

Year Ending June 30,		
2021	$	95,453
2022		100,434
2023		105,675
2024		111,191
2025		116,997
Thereafter		4,499,233
Total	$	5,028,983

Note 10 - Buildings - Grant liens and restrictions:

The Organization has loans with no specified due date that have been recorded as net assets with donor restriction and not as loans requiring mandatory principal and interest payback. However, disposition, change in use, or cessation of operations requires a mandatory repayment of principal and accrued interest.

During the fiscal year ended June 30, 1994, the Organization received the following grants for the acquisition and development of real property located at 3490 The Alameda in Santa Clara, California:

> A Community Development Block Grant (CDBG) of $48,000 from the City of Sunnyvale. This amount is secured by a Trust Deed on the subject property, bears 3% simple interest, and neither the principal nor the accrued interest will become due if the Organization continues to use the facility as a runaway and homeless youth shelter. As of June 30, 2020 and 2019, accrued interest on this obligation amounted to approximately $40,000 and $39,000, respectively, with an annual accrual of $1,400.

> A grant of $980,000 from the City of Santa Clara. This amount is secured by a Trust Deed on the subject property, bears 3% simple interest, and neither the principal nor the accrued interest will become due if the Organization continues to use the facility as a runaway and homeless youth shelter. As of June 30, 2020 and 2019, accrued interest on this obligation amounted to approximately $796,000 and $767,000, respectively, with an annual accrual of $29,000.

During the fiscal year ended June 30, 1997, the Organization received the following grants for the acquisition of real property located at 1284-1294 Jackson Street in Santa Clara, California;

> A grant of $200,000 from the Department of Housing and Urban Development passed through the City of Santa Clara, and a grant of $200,000 from the City of Santa Clara. The City of Santa Clara has secured this amount by a Trust Deed on the subject property, bearing 3% simple interest, and neither the principal nor the accrued interest will become due if the Organization continues to use the facility as a teenaged parent family shelter. As of June 30, 2020 and 2019, accrued interest on this obligation amounted to about $284,000 and $272,000, with an annual accrual of $12,000. The terms of the grants require the Organization to maintain a $50,000 reserve account for the maintenance and repair of the subject property. This amount is presented in net assets with donor restrictions in the statement of financial position.

Note 10 - Buildings - Grant liens and restrictions (continued):

During the fiscal year ended June 30, 1999, the Organization received the following grants for the acquisition of real property located at 2120 Main Street in Santa Clara, California;

A grant of $78,000 from the Department of Housing and Urban Development, passed through the City of Santa Clara, and a grant of $297,000 from the City of Santa Clara. The City of Santa Clara has secured this amount by a Trust Deed on the subject property, bearing 3% simple interest, and neither the principal nor the accrued interest will become due if the Organization continues to use the facility as transitional housing for homeless teens. As of June 30, 2020 and 2019, accrued interest on this obligation amounted to approximately $243,000 and $232,000, respectively, with an annual accrual of $11,000. The terms of the grants require the Organization to maintain a $50,000 reserve account for the maintenance and repair of subject property. This amount is presented in net assets with donor restrictions in the statement of financial position.

During the fiscal year ended June 30, 2002, the Organization received the following grants:

A grant of $75,000 from the City of Santa Clara for seismic upgrade and related rehabilitation work at 1284 Jackson Street, Santa Clara, California. This amount is secured by a Trust Deed on the subject property, bears no interest and will be considered paid in full if the Organization continues to use the facility as a youth transitional housing project for a period of twenty years (until approximately November 2020).

A grant of $405,100 from the Department of Housing and Urban Development, passed through the City of Santa Clara for the acquisition of 3551 Shafer Drive, Santa Clara, California, and a grant of $204,000 from the City of Santa Clara. The City of Santa Clara has secured this amount by a Trust Deed on the subject property, bearing three percent simple interest, and will be considered paid in full if the Organization continues to use the facility as a youth transitional housing project for a period of thirty years (until approximately June 2032). As of June 30, 2020 and 2019, accrued interest on this obligation amounted to approximately $329,000 and $311,000, respectively, with an annual accrual of $18,000. The terms of the grants require the Organization to maintain a $10,000 reserve for the maintenance and repair of the subject property. This amount is presented in net assets with donor restrictions in the statement of financial position.

Note 10 - Buildings - Grant liens and restrictions (continued):

During the fiscal year ended June 30, 2007, the Organization received the following grant for the acquisition, operations, and rehabilitation of real property located at 3661 Peacock Court in Santa Clara, California:

An on-going grant of $4,767,000 from the City of Santa Clara, with $4,767,000 advanced as of June 30, 2020 and 2019. The City of Santa Clara has secured this amount by a Trust Deed on the subject property, bearing three percent simple interest, and neither the principal nor the accrued interest will become due if the Organization continues to use the facilities as housing for low income persons and families at risk of homelessness. As of June 30, 2020 and 2019, accrued interest on this obligation amounted to approximately $1,609,000 and $1,467,000, respectively, with an annual accrual of $142,000. The terms of the grant requires the Organization to maintain a reserve account for the maintenance and repair of the subject property equal or greater than 3% of gross rents received.

During the fiscal year ended June 30, 2011, the Organization received the following grants:

A grant of $251,000 in HOME Investment Partnerships ("HOME") funding passed through from the City of Santa Clara for rehabilitation of 3661 Peacock Court, Santa Clara, California. The City of Santa Clara has secured this amount by a Trust Deed on the subject property, bearing no interest, and the principal will not become due as long as the Organization continues to use the facility as housing for low income persons and families at risk of homelessness.

A grant of $1,917,000 in HOME funding passed through the City of San Jose for rehabilitation of 3661 Peacock Court, Santa Clara, California. This amount is secured by a Trust Deed on the subject property, bearing no interest, and the principal will be forgiven if the Organization continues to use the facility for fifty-five years as housing for low income persons and families at risk of homelessness. As of June 30, 2020 and 2019, the City of San Jose has advanced $1,917,000.

A grant of $83,000 from the City of Santa Clara for the installation of solar panels at 3490 The Alameda, Santa Clara, California. This amount is unsecured, bears no interest and will be considered paid in full if the Organization maintains the solar panels for a period of ten years (until approximately August 2021).

During the year ended June 30, 2016, the Organization obtained a loan through the Housing Trust for $582,000 to fund the rehabilitation of the Bill Wilson Safety Net Shelter at 3490 The Alameda, Santa Clara, California. The loan bears no interest and will be forgiven in April 2026 if the Organization complies with all terms.

During the year ended June 30, 2017, the Organization obtained a Community Development Block Grant (CDBG) loan from the City of Mountain View in the amount of $50,000 for rehabilitation activities at 509 View Street, Mountain View, California. The loan bears simple interest, deferred at 3% and will be forgiven on November 30, 2031 if the Organization complies with all terms.

Note 11 - Net assets with donor restriction:

The net assets with donor restriction activities for the year ended June 30, 2020 were as follows:

	June 30, 2019	Additions	Releases	June 30, 2020
Pledges receivable	$ 120,066	$ 92,310	$ (120,066)	$ 92,310
Employee wellness program	50,000	-	(2,510)	47,490
Basic Center - RHY North County	-	5,720	(5,720)	-
Transitional Living Program-LGBTQ	-	9,950	(9,950)	-
Transitional housing	10,000	-	-	10,000
Transitional housing plus program	1,000	-	-	1,000
Independent Living Program	-	9,750	(6,857)	2,893
Support for Transitional Foster Youth (Trust)	-	525,337	-	525,337
THP+FC Program	3,677	-	-	3,677
Destination Home - Motel Voucher COVID19	-	10,000	(10,000)	-
FAS-Central Program	-	8,768	(8,768)	-
FAS-East Program	-	8,500	(8,500)	-
Santa Cruz-Shared Housing Program	-	432	(432)	-
FAS-City of Santa Clara	-	984	(984)	-
COVID19 Expenditures	-	84,409	(42,859)	41,550
Rapid Rehousing Programs	10,000	-	(10,000)	-
Adobe and 100 Women Foundation - Drop-in center	-	2,124	(2,124)	-
Centre for Living with Dying	25,000	87,246	(87,246)	25,000
Healing Heart (Valle Monte League)	-	42,213	(42,213)	-
Centre For Living - Aids Retreat	2,054	-	(169)	1,885
CHAT Program	25,000	-	(25,000)	-
Adopt-a-family	-	14,857	(14,857)	-
Peacock Commons	6,600	-	(6,600)	-
Reserve fund for facility operating cost at Shafer Drive	10,000	-	-	10,000
Time restricted contributions	28,889	-	-	28,889
Reserve fund for facility operating costs	100,000	-	-	100,000
Property restricted by liens and restrictions:				
View Street	50,000	-	-	50,000
Shafer Drive	482,431	-	(13,377)	469,054
The Alameda	2,067,033	10,981	(111,472)	1,966,542
Jackson Street	415,743	-	(26,034)	389,709
Main Street	310,424	-	(6,537)	303,887
Peacock Commons	4,643,251	-	(180,560)	4,462,691
Total net assets with donor restrictions	$ 8,361,168	$ 913,581	$ (742,835)	$ 8,531,914

Note 11 - Net assets with donor restriction (continued):

The net assets with donor restriction activities for the year ended June 30, 2019 were as follows:

	June 30, 2018	Additions	Releases	June 30, 2019
Pledges receivable	$ 268,796	$ 120,066	$ (268,796)	$ 120,066
Employee wellness program	-	50,000	-	50,000
Crisis - Residential RHY SC	-	1,000	(1,000)	-
Quetzal House	-	11,236	(11,236)	-
Transitional housing	-	10,000	-	10,000
Transitional housing plus program	1,000	15,000	(15,000)	1,000
Independent Living Program	-	9,225	(9,225)	-
Young Adult Shelter	-	500	(500)	-
THP+FC Program	3,677	10,000	(10,000)	3,677
Homeless Youth Housing & Services	3,251	760	(4,011)	-
Transtional Living Program - LGBTQ	-	2,450	(2,450)	-
FAS Programs	-	30,900	(30,900)	-
Rapid Rehousing Programs	-	20,000	(10,000)	10,000
Adobe and 100 Women Foundation - Drop-in center	6,515	11,000	(17,515)	-
Centre for Living with Dying	20,000	32,339	(27,339)	25,000
Healing Heart (Valle Monte League)	-	63,292	(63,292)	-
Centre For Living - Aids Retreat	2,366	-	(312)	2,054
CHAT Program	25,000	25,000	(25,000)	25,000
Adopt-a-family	-	15,466	(15,466)	-
Peacock Commons	6,600	10,500	(10,500)	6,600
Reserve fund for facility operating cost at Shafer Drive	10,000	-	-	10,000
Time restricted contributions	28,889	-	-	28,889
Reserve fund for facility operating costs	100,000	-	-	100,000
Property restricted by liens and restrictions:				
View Street	50,000	-	-	50,000
Shafer Drive	396,070	94,989	(8,628)	482,431
The Alameda	2,178,090	-	(111,057)	2,067,033
Jackson Street	427,585	15,245	(27,087)	415,743
Main Street	316,961	-	(6,537)	310,424
Peacock Commons	4,787,786	33,000	(177,535)	4,643,251
Total net assets with donor restrictions	$ 8,632,586	$ 581,968	$ (853,386)	$ 8,361,168

Note 12 - Retirement plans:

401(k) plan - The Organization maintains a 401(k) defined contribution plan (the "Plan") in which employees who have met certain service and eligibility requirements may participate. Under the Plan, eligible employees may make contributions through a salary reduction agreement. Each year, the Organization may contribute to the Plan an amount determined at the Organization's discretion. For the years ended June 30, 2020 and 2019, the Board of Directors approved a total contribution of approximately $390,000 and $497,000, respectively, to the Plan.

403(b) plan - The Organization has a 403(b) defined contribution plan (the "403(b) Plan") in which employees who have met certain service and eligibility requirements may participate. Each eligible employee may elect to contribute to the 403(b) Plan.

Note 13 - Special events:

The Organization had the following revenue and expenses from special events for the years ended June 30:

	2020	2019
Special event income		
Revenues	$ -	$ 12,150
Contributions	131,721	140,422
Special event income	131,721	152,572
Special event direct expenses	1,845	45,019
Special events, net	$ 129,876	$ 107,553

Total fundraising expenses for the year ended June 30, 2020 and 2019 were approximately $305,000 and $353,000, respectively.

Note 14 - Related-party transactions:

For the years ending June 30, 2020 and 2019, the Organization received contributions of approximately $46,000 and $61,000, respectively, from Board members, management and their affiliated organizations.

Note 15 - Commitments and contingencies:

Lease commitments - The Organization is obligated under various facility leases, expiring at various dates through October 2024 and containing renewal clauses, for the rental of office space and residential units. Monthly payments under these leases total approximately $55,000 and $52,000 for the years ended June 30, 2020 and 2019, respectively, and the total rental expense incurred under leases was approximately $654,000 and $632,000, respectively. The commitment of multiple leases is being amortized over the lease terms on a straight-line method. The difference between the lease payments required and the recognition of lease expense on the straight-line method is recorded as deferred rent. At June 30, 2020, deferred rent on the leases total approximately $30,000, which is considered current and is reported accordingly on the accompanying statement of financial position. The future minimum commitments under these leases are as follows:

Year Ending June 30,		
2021	$	507,921
2022		469,967
2023		369,036
2024		284,065
2025		98,011
Total	$	1,729,000

The Organization's total occupancy expense was approximately $1,114,000 and $1,722,000 for the years ended June 30, 2020 and 2019, respectively. Total rent expense included lease payments as described above, month-to-month leases and client rental assistance.

The Organization is also committed under various operating lease agreements for office equipment, with termination dates through May 2025. Monthly payments under these leases total approximately $7,000 and $8,000 for the years ended June 30, 2020 and 2019, respectively, and total payments made pursuant to these leases were approximately $82,000 and $90,000, respectively. The future annual minimum commitments under these leases are as follows:

Year Ending June 30,		
2021	$	82,284
2022		77,572
2023		53,120
2024		22,358
2025		17,968
Total	$	253,302

Note 15 - Commitments and contingencies (continued):

Contingency: legal matters - The Organization, during the normal course of operating its business, may be subject to various lawsuits, licensing reviews, and government audits. Management believes that losses resulting from these matters, if any, would either be covered under the Organization's insurance policy or are immeasurable. Management further believes the losses, if any, would not have a material effect on the financial position of the Organization.

Contingency: COVID-19 - On March 11, 2020, the World Health Organization declared that the spread of the coronavirus disease ("COVID-19") has become a pandemic. On March 13, 2020, the President of the United States announced a national emergency in response to the COVID-19 outbreak. In response to these two announcements, many businesses have closed their doors in order to assist in the containment of the virus for the next several months. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. 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 their customers, employees and vendors, all of which are uncertain and cannot be predicted. The Organization is an essential business in Santa Clara County and has been open for business for the full duration of the pandemic. At the date of the independent accountants' audit report, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain, however management is confident the Organization will continue as a going concern.

SUPPLEMENTARY INFORMATION

Robert Lee & Associates, LLP

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

To the Board of Directors of
Bill Wilson Center
Santa Clara, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Bill Wilson Center (the "Organization", a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2020-001.

Bill Wilson Center's Response to Findings

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Robert Lee + Associates, LLP

San Jose, California
October 22, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Bill Wilson Center
Santa Clara, California

Report on Compliance for Each Major Federal Program

We have audited Bill Wilson Center's (the "Organization", a nonprofit organization) compliance with the types of compliance requirements described in the *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 auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)

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 each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The Organization's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of 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 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE (CONTINUED)

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs as item 2020-001. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Robert Lee & Associates, LLP

San Jose, California
October 22, 2020

BILL WILSON CENTER

Single Audit Reports

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA number	Grant identifying number	Federal program expenditures	Passed through to subrecipients
U.S. Department of Housing and Urban Development				
Continuum of Care*				
Direct Award:				
Transitional housing - North County	14.267	CA0032L9T001710	$ 108,722	$ -
Transitional housing - North County	14.267	CA0032L9T001811	191,177	-
Transitional housing - South County	14.267	CA0031L9T001811	251,882	-
Transitional housing - South County	14.267	CA0031L9T001912	242,450	-
Transitional housing - Rapid Rehousing for Youth	14.267	CA1639L9T001700	50,127	-
Transitional housing - Rapid Rehousing for Youth	14.267	CA1639L9T001801	106,669	
Peacock Commons - Permanent Housing	14.267	CA1032L9T001707	118,330	-
Peacock Commons - Permanent Housing	14.267	CA1032L9T001808	113,768	-
Rapid ReHousing for Youth	14.267	CA1379L9T001702	79,123	-
Rapid ReHousing for Youth	14.267	CA1379L9T001803	232,691	
Rapid ReHousing for Homeless Youth	14.267	4300013327	550,849	-
Total Continuum of Care Program*			2,045,788	-
Youth Homeless Demonstration Project				
Santa Cruz Shared Housing Program	14.276	CA1724Y9T081600	56,018	-
Community Development Block Grants				
Passed through the City of Santa Clara				
Family Therapy/School Outreach	14.218	PS-19-002-A1	38,800	-
Passed through the City of Santa Clara				
Family Advocacy Services	14.218	-	20,601	-
Passed through the City of Sunnyvale				
Family & Individual Counseling Services	14.218	1819-827550	30,000	-
Total Community Development Block Grants			89,401	-
Other Programs				
Passed through the City of San Jose				
Economic Development Initivative - Enclave	14.251	B-14-MC-06-0021	53,543	-
Passed through the City of San Jose				
Emergency Shelter Grant*	14.231	ESG-18-002	238,613	-
Passed through the City of Santa Clara				
Tenant Based Rental Assistance	14.239	TBRA-19-002	105,203	
Total U.S. Department of Housing and Urban Development			2,588,566	-
Street Outreach Program				
Direct Award				
Street Outreach Program	93.557	90Y02338-01	104,272	-
Total Street Outreach Programs			104,272	-
Subtotal			$ 2,692,838	$ -

* Denotes a major program

The accompanying notes are an integral part of this schedule

BILL WILSON CENTER
Single Audit Reports
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA number	Grant identifying number	Federal program expenditures	Passed through to subrecipients
EXPENDITURES OF FEDERAL AWARDS (CONTINUED):				
Subtotal from previous page			$ 2,692,838	$ -
U.S. Department of Justice				
Crime Victim Assistance				
Passed through California Office of Emergency Services				
Homeless Youth and Exploitation Program	16.575	HX19181430	87,772	-
Marginalized Victims Program	16.575	KI18011430	114,410	-
Marginalized Victims Program	16.575	KI19021430	140,345	-
Specialized Emergency Housing Program	16.575	KE17011430	68,763	-
Specialized Emergency Housing Program	16.575	KE19021430	228,618	-
Transitional Housing Program	16.575	XH16011430	205,215	-
Transitional Housing Program	16.575	XH19021430	134,060	-
Child Abuse Treatment Program	16.575	AT18041430	43,619	-
Child Abuse Treatment Program	16.575	AT19051430	163,400	-
Total Crime Victim Assistance			1,186,202	-
U.S. Department of Health and Human Services:				
Foster Care Programs				
Passed-through County of Santa Clara:				
AFDC-FC - Safety Net Shelter	93.658	0268.00.01	48,333	-
THP Non Minor Dependent	93.658	0268.18.01	496,108	-
Total Foster Care Programs			544,441	-
Transitional Living Programs				
Direct Award				
Transitional living - LGBTQ Youth and Young Adults	93.550	90CX7151-02	52,364	-
Transitional living - LGBTQ Youth and Young Adults	93.550	90CX7151-03	114,496	-
Transitional living - Maternity Group Home	93.550	90CX7212-01	67,569	-
Transitional living - Maternity Group Home	93.550	90CX7212-02	111,322	-
Total Transitional Living Programs			345,751	-
Runaway and Homeless Youth Programs				
Direct Award				
Basic Center - South County	93.623	90CY6989-02	37,628	-
Basic Center - South County	93.623	90CY6989-03	168,753	-
Basic Center - North County	93.623	90CY6982-02	76,400	-
Basic Center - North County	93.623	90CY6982-03	122,615	-
Total Runaway and Homeless Youth Programs			405,396	-
Other Programs				
Passed-through County of Santa Clara:				
HRSA-Ryan White HIV/AIDS Treatment	93.914	4300015399	70,352	-
Chafee Foster Care Independent Living Program	93.674	4300013916	676,643	-
Total U.S. Department of Health and Human Services:			2,042,583	-
Total Expenditures of Federal Awards			$ 5,921,623	$ -

* Denotes a major program

The accompanying notes are an integral part of this schedule

BILL WILSON CENTER

Single Audit Reports
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Note 1 - Organization and operations:

Bill Wilson Center (the "Organization") was incorporated as a California non-profit organization on March 29, 1974, and provides services to the residents of Santa Clara County. The organization's mission is to support and strengthen the community by serving youth and families through counseling, housing, education, and advocacy. Bill Wilson Center emphasizes the importance of collaborative program development and service delivery

Note 2 - Summary of significant accounting policies:

Basis of accounting - Expenditures in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, OMB Circular A-122 Cost Principles for Non-Profit Organizations, or 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 represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Organization has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The information in the accompanying Schedule of Expenditures of Federal Awards ("SEFA") includes the federal grant and loan activity of the Organization under programs of the federal government for the year ending June 30, 2020. The information in the SEFA is presented in accordance with the 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). Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the consolidated financial statements. Although the Organization is required to match certain grants, as defined by the contracts, no such matching has been included as expenditures in the SEFA.

BILL WILSON CENTER
Single Audit Reports
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the consolidated financial statements of Bill Wilson Center.
2. No significant deficiencies relating to the audit of the consolidated financial statements are reported in the basic consolidated financial statements.
3. No instances of noncompliance material to the consolidated financial statements of the Organization were disclosed during the audit.
4. One significant deficiency relating to the audit of the major federal award programs was reported in the consolidated financial statements. No instances of material weakness.
5. The auditors' report on compliance for the major federal award programs for the Organization expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for the Organization are reported below in Part C of this Schedule.
7. The programs tested as major programs include:

Major program	CFDA #		Expenditures
Continuum of Care Programs	14.267	$	2,045,788
Emergency Shelter Grant	14.231		238,613
Total major programs		$	2,284,401
Total Federal Awards		$	5,921,623
Percentage of total federal award expenditures tested			39%

8. The threshold for distinguishing Types A and B programs was $750,000.
9. The Organization was determined to be a low risk auditee.

B. FINDINGS - CONSOLIDATED FINANCIAL STATEMENTS AUDIT

Current Year Findings

No consolidated financial statements audit findings noted in the current year.

Prior Year Findings

No consolidated financial statements audit findings noted in the prior year.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

Current Year Findings

Finding 2020-001

U.S. Department of Housing and Urban Development — CFDA 14.267 and 14.231

Criteria: Non-Federal entities are prohibited from hiring or contracting with suspended or debarred parties in covered transactions. As defined in 2 CFR section 180.995 and agency adopting regulations, prior to entering into transactions with an entity or individual, the non-federal entity must verify that the entity or individual is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition: During our audit, we inquired with management regarding their policy relating to suspended or debarred vendors or individuals and identified that the Organization has a policy in place relating to verifying that employees of a specific program type are not suspended or debarred on a monthly basis. The Organization also has a current procedure for searching the OIG website to verify all employees are not suspended or debarred on a monthly basis. The Organization does not have a policy or procedure to verify that vendors are not suspended or debarred or otherwise excluded from participating in the transaction prior to entering into a covered transaction.

Context: A policy relating to suspended or debarred vendors or individuals provides guidance and requirements that must be followed for covered transactions, but specifically transactions related to Federal awards.

Cause: The policies and procedures relating to setting up new vendors does not include verification that the vendors are not suspended or debarred.

Effect: The Organization may have used funds to hire or purchase services or supplies from suspended or debarred individuals or entities.

Current Year Findings (continued)

Recommendation: The Organization should develop, adopt and implement policies and procedures related to verification that new vendors are not suspended or debarred. The procedures should include the maintenance of supporting documentation related to the conclusion that vendors are not suspended or debarred. The procedures should also include a periodic check for existing vendors to verify that vendors have not been subsequently suspended or debarred.

Questioned Costs: Unknown.

Views of Responsible Officials and Planned Corrective Actions: Bill Wilson Center agrees with the finding and has a taken steps to rectify the finding. See the Corrective Action Plan on page 46 for further detail.

Prior Year Findings

There are no prior year findings that were considered material instances of noncompliance in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

BILL WILSON CENTER

Single Audit Reports
Corrective Action Plan
Year Ended June 30, 2020

Finding 2020-001

Program: Continuum of Care Program Cluster and Emergency Shelter Grant
CFDA No.: 14.267 and 14.231
Federal Agency: U.S. Department of Housing and Urban Development

Organization's Response: We concur.

Views of Responsible Officials and Corrective Action: Bill Wilson Center agrees with the finding and has taken steps to rectify the finding as follows:

In order to be in compliance with federal contractual requirements a search of the SAM and OIG websites will be completed for all new employees and vendors, if allocable to federal programs, to ensure that no excluded, debarred, or suspended individuals or entities will be paid with federal funds. The Organization's Debarment List Cross Check Policy has been updated to include a verification process for all employees before they are hired, and monthly thereafter and for all new vendors before paid, and a random sample of current vendors on a weekly basis. Evidence of these searches will be printed and maintained for future review.

Name of Responsible Person: Janet Dolezal, Director of Finance

Name of Responsible Department Contact: Debbie Pell, Chief Program Officer

Projected Implementation Date: October 1, 2020