



**UNIVERSITY OF THE PACIFIC
COMMUNITY RE-ENTRY PROJECT**

Statement of Revenues and Expenses

Year Ended June 30, 2010

(With Independent Auditors' Report Thereon)

**UNIVERSITY OF THE PACIFIC
COMMUNITY RE-ENTRY PROJECT**

Table of Contents

	Page
Independent Auditors' Report	1
Financial Statement:	
Statement of Revenues and Expenses	2
Notes to Statement of Revenues and Expenses	3



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Independent Auditors' Report

The Board of Regents
University of the Pacific
Stockton, California:

We have audited the accompanying statement of revenues and expenses of the University of the Pacific, Community Re-Entry Project (Project) for the year ended June 30, 2010. This financial statement is the responsibility of the Project's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and expenses is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues and expenses, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of revenues and expenses presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and expenses was prepared for the purpose of complying with the reporting requirements of the Community Re-Entry Project grant agreements with the San Joaquin County Behavioral Health Services Department, and in accordance with California State Department of Mental Health policies, as further described in note 1. The presentation is not intended to be a complete presentation of the University of the Pacific's activities.

In our opinion, the statement of revenues and expenses referred to above presents fairly, in all material respects, the revenues and expenses of the University of the Pacific, Community Re-Entry Project for the year ended June 30, 2010 in conformity with U.S. generally accepted accounting principles.

This report is intended solely for the information and use of the Board of Regents and Management of the University of the Pacific, the County of San Joaquin and the California State Department of Mental Health and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

December 17, 2010

**UNIVERSITY OF THE PACIFIC
COMMUNITY RE-ENTRY PROJECT**

Statement of Revenues and Expenses

Year ended June 30, 2010

	Community Re-Entry Program			Community Re-Entry subtotal	Employment Recovery Services Program	Project total
	Martin Gipson Center and Vocational Rehabilitation	Independent Living Skills- Satellite Apartments	Consumer Self-Help Group			
Revenues:						
San Joaquin County	\$ 380,668	239,180	22,710	642,558	112,445	755,003
San Joaquin County-Conditional Release Program supplement	79,050	10,950	—	90,000	—	90,000
Total revenues	<u>459,718</u>	<u>250,130</u>	<u>22,710</u>	<u>732,558</u>	<u>112,445</u>	<u>845,003</u>
Salaries:						
Program coordinator	4,000	4,000	—	8,000	—	8,000
Executive director	30,261	30,261	—	60,522	—	60,522
Program director	83,041	16,377	—	99,418	17,021	116,439
Graduate coordinators	22,225	34,413	—	56,638	—	56,638
Satellite manager	—	22,460	—	22,460	—	22,460
Relief manager	—	10,734	—	10,734	—	10,734
Clerical accountant	14,508	30,806	—	45,314	—	45,314
Recreation assistant	12,738	—	—	12,738	—	12,738
On Job Training maintenance	39,124	—	—	39,124	—	39,124
On Job Training recreational assistant	12,480	—	—	12,480	—	12,480
Student assistants/relief	664	—	—	664	—	664
Forensic services director	41,000	—	—	41,000	—	41,000
Warm line operators	—	—	17,108	17,108	—	17,108
Employment specialist	—	—	—	—	34,000	34,000
Consumer employment specialist	—	—	—	—	25,217	25,217
Total salaries	<u>260,041</u>	<u>149,051</u>	<u>17,108</u>	<u>426,200</u>	<u>76,238</u>	<u>502,438</u>
Fringe benefits	64,044	30,437	3,020	97,501	19,883	117,384
Total salaries and fringe benefits	<u>324,085</u>	<u>179,488</u>	<u>20,128</u>	<u>523,701</u>	<u>96,121</u>	<u>619,822</u>
Operating expenses:						
Rent	38,940	29,484	—	68,424	—	68,424
Utilities	18,011	1,828	—	19,839	—	19,839
Communications/telephone	4,545	972	553	6,070	4,521	10,591
Supplies and other expenses	33,908	11,842	—	45,750	4,002	49,752
Audit fees	4,850	2,840	660	8,350	1,500	9,850
Van expenses	14,335	8,762	—	23,097	—	23,097
Travel	241	2,990	—	3,231	202	3,433
Administrative overhead	20,803	11,924	1,369	34,096	6,099	40,195
Total operating expenses	<u>135,633</u>	<u>70,642</u>	<u>2,582</u>	<u>208,857</u>	<u>16,324</u>	<u>225,181</u>
Total salaries, fringe benefits and operating expenses	<u>459,718</u>	<u>250,130</u>	<u>22,710</u>	<u>732,558</u>	<u>112,445</u>	<u>845,003</u>
Excess of revenues over expenses	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying notes to statement of revenues and expenses.

**UNIVERSITY OF THE PACIFIC
COMMUNITY RE-ENTRY PROJECT**

Notes to Statement of Revenues and Expenses

June 30, 2010

(1) General

The University of the Pacific Community Re-Entry Project consists of two major programs: Community Re-Entry Program (CRP) and Employee Recovery Services (ERS).

CRP is a student-operated program designed to advance chronically mentally disabled adults to less restrictive levels of care while improving their lives. CRP is funded by two contracts from the County of San Joaquin Behavioral Health Services Department (County), and is governed by the contracts and the policies of the California State Department of Mental Health. For the fiscal year ended June 30, 2010, the two contracts provided for County cost reimbursement of up to \$647,163 and \$90,000, respectively. The primary contract provides overall funding for the programs, while the supplemental contract provides support to help clients under court-ordered supervision access and maintain successful community re-integration, to refrain from futures offenses, and to facilitate their continued psychiatric health and stability.

The Community Re-Entry Program (CRP) includes three primary areas:

- ***Martin Gipson Socialization Center (the Center) and Vocational Rehabilitation Services:*** The Center provides services to meet the day and evening leisure, recreational, and pre-vocational needs of mentally disabled adults in San Joaquin County, including a drop-in activity center staffed by students, on-the-job trainees and volunteers and a sport center. Services are designed to further the independent living, social, and pre-vocational skills of the participants. In addition, programs and activities are designed to further the physical fitness of each client. The Vocational Rehabilitation Services at the Center assists mentally disabled adults with on-the-job training and supported work opportunities for the mentally disabled in San Joaquin County.
- ***Independent Living Skills and Satellite Apartments:*** The Satellite Apartments are operated by the Program in order to provide a minimum of 32 clients with semi-independent living housing through an exclusive use agreement with the apartment owner. Staff coverage is provided 20 hours per day to provide for crisis intervention and support services. Program services include provision of daily dinners for all residents, medication assistance, activities, and monthly apartment inspections designed to teach and facilitate independent household maintenance. The Independent Living Skills program for residents teaches money management, food preparation, and household management skills, with a goal of advancing as many individuals as possible to transitional apartments and independent living.
- ***Consumer Self-Help Group (the Group):*** The Group, also known as “People Who Love and Care” provides support to CRP participants through a support line staffed by similarly disabled individuals; individual advocacy and support opportunities; counseling services; and weekly support group meetings.

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COMMUNITY RE-ENTRY PROJECT**

Notes to Statement of Revenues and Expenses

June 30, 2010

The other program is entitled Employment Recovery Services (ERS):

ERS provides vocational and employment services to mentally disabled clients of the Community Re-Entry Project to assist them with volunteer and paid part-time pre-vocational training opportunities, individual job placement and job coaching, and follow-up employment support. The program is funded by a contract from the County of San Joaquin Behavioral Health Services Department, and is governed by the policies of the California State Department of Mental Health.

University of the Pacific's Employment Recovery Services program operates under funds provided through the San Joaquin County Behavioral Health Services. The agreement with the County is for the twelve months starting July 1, 2009 and ending June 30, 2010. Maximum funding for the three months ended September 30, 2010 is \$34,636 and the maximum funding for the nine months ended June 30, 2010 is \$98,134.

(2) Basis of Accounting

The statement of revenues and expenses has been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles and according to the reporting requirements of the Community Re-Entry project grant agreements with the San Joaquin County Behavioral Services Department, and in accordance with California State Department of Mental Health policies, as described in note 1.

(3) Fringe Benefits and Indirect Costs

Fringe benefits for full-time staff are recorded 29.8%, in accordance with the University's U.S. Department of Health and Human Services approved rates. Part-time employees' benefits are calculated at 17.65% of salaries and wages to reflect employer-paid taxes and retirement benefits. Indirect costs are calculated at eight percent of salaries and wages in accordance with the Agreement.